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Near East & South Asia

INDIA

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INTERNATIONAL AFFAIRS

Rodrigues Remarks Said To Confirm U.S. Aims

92AS0832 New Delhi PATRIOT in English 17 Mar 92
p 1

[Article by Cecil Victor]

[Text] Chief of Army Staff S.F. Rodrigues, in his interview to a New Delhi daily, has confirmed what PATRIOT has been saying since before George Bush finally admitted that Pakistan has the bomb by refusing to issue a certificate of good nuclear behavior.

We had said that it was a conspiracy hatched by turns in Washington and Islamabad to give Pakistan a nuclear weapon to counter India's superior conventional military capability.

General Rodrigues used his own inimitable Wild West phraseology to describe what the Americans have tried to do to India: "What is America bothered about? They are trying to pressurize us into... Could it have been that they (U.S.) told Pakistan that you say this because they want to smoke India out into the open".

The point is: why is he, in his capacity as Chief of Army Staff and Chairman of the Joint Chiefs of Staff Committee, leading India into the American camp in the face of his own evidence that Washington is playing dirty with India?

The implications of General Rodrigues' statement are:

1. That the Americans wanted Pakistan to confirm George Bush's prognosis of nuclear weapons capability so that India is either stampeded into declaring its own weapons programme or walks into the regional NPT trap it has laid along with China (also a long-time strategic consensus partner with Pakistan).

2. Given the fact that the United States has been giving Islamabad a certificate every year for nearly a decade that it does not possess nuclear weapons capability and has, simultaneously, shipped billions of dollars of high-tech conventional weaponry on the excuse that it would dissuade Pakistan from going nuclear, Washington has been actively involved in reducing India's defence capability by, according to the General's own words, raising the "attrition levels".

3. It is no secret that the United States has given political support to secessionists—Jasjit Singh Chauhan of the Khalistanis, Amanullah Khan, etc.—and by not taking action against Pakistan has encouraged its use of the low-cost option to fight a proxy war with India.

4. By extension, the political support to the secessionists has encouraged the use of terror tactics and the politics of assassination by the secessionists. India has lost two Prime Ministers at the hands of terrorists with whom the CIA has been in contact.

5. The "siege within" referred to by Gen Rodrigues is a product of nexus between Washington and Pakistan, and the Indian army has been turned inwards by the combination of the Pak bomb-in-the-basement, the excessive conventional weapons supplies by the United States, the support to Pak-based terrorism, and the internal instability induced by successive political assassinations.

6. The whole exercise contributes to the creation and maintenance of the status quo in Kashmir—an objective close to American hearts.

It is good that Parliament has, at last, awoken to the dangers inherent in the situation. It is not something that has suddenly confronted the nation.

It is a situation that has been germinating since the early 80's when the United States was actively involved in cartographic aggression in the Siachen Glacier. Indira Gandhi, who had long warned about the "foreign hand", took active steps to break the U.S.-Pak-China nexus.

It was only after her death that the Americans became confident that they would be able to turn India around to its own perceptions of how the world should be run. The danger lies in the fact that General Rodrigues also talked of "a partnership flowing from shared perceptions, predicated on shared strategic concerns and interest in preserving the same core values".

The General's own statement about the United States wanting to "smoke India out into the open" on the nuclear question contradicts all this.

Parliament would do well to regain the initiative on the debate on the strategic doctrine.

The tragedy is that the top military brass may have taken India too far into the American camp to allow for a retracing of steps.

Center Issues Statement on Dixit U.S. Visit

93AS0828A Madras THE HINDU in English
17 Mar 92 p 9

[Article by K. K. Katyal: "India Sticks to Its Guns on NPT"; boldface words, quotation marks as published]

[Text] New Delhi, March 16. While reiterating India's willingness to talk to the United States on the latter's concerns on nuclear non-proliferation, the Foreign Secretary, Mr. J.N. Dixit, had expressed doubts and misgivings, during his recent discussions in Washington, on the proposal for a five-power conference to check the spread of nuclear weapons in South Asia. Also, India's opposition to the 'discriminatory' non-proliferation treaty remained unchanged.

These points stood out in a detailed statement by the Government on the Foreign Secretary's talks in Washington, and on the new sensitive turn in Indo-U.S. relations. These issues generated some controversy last week, amid charges that India had been pressured into

changing its nuclear policy by the United States. The statement—by the minister of State for External Affairs, Mr. Eduardo Faleiro—also dealt with the Pentagon document, containing negative references to India, plans for joint training exercises by the navies of India and the United States and the Special 301 investigations against India. He defended the decision on the exercises—‘these would be professionally useful to our Navy’—but said that no agreement had been signed in this regard.

Stand unchanged: As regards the five-power conference proposal, the statement recalled what the Prime Minister, Mr. P. V. Narasimha Rao, had told the U.S. President, Mr. George Bush, at their meeting in New York on January 31 at the time of the Security Council Summit—that India was concerned about uncontrolled proliferation of nuclear weapons, but wondered how this new phenomenon could be stopped merely by policing measures. ‘Proliferation had taken on a global dimension and required a global approach. India was prepared to talk to the United States on non-proliferation but, given the practical situation and ground realities, India had to consider how to deal with the problem. This reality could hardly be dealt with in a meeting of five states as such a meeting could become only an exercise in acrimony,’ the statement said, adding that the Foreign Secretary had reiterated India’s stand on these lines.

From the explanations given by Mr. Faleiro in the Rajya Sabha, it was clear that India had yet to take a stand on the five-power conference. Repeating the Government’s misgivings about it, he said India did not have the slightest idea of what the United States wanted, but was prepared for discussions on the goal of non-proliferation ‘with anybody.’

Drawing a distinction between the NPT (to which India was opposed), and non-proliferation (to which it was committed), the statement briefly quoted from Mr. Rao’s speech at the Security Council Summit, wherein he had spoken of India’s continued adherence to ‘total and complete nuclear disarmament, brought about by balanced, simultaneous, comprehensive and time-bound measures’ in terms of the Rajiv Gandhi action plan. Mr. Rao he said, had suggested advancing the deadline for complete disarmament to the year 2000 from 2010.

Denying ‘misleading’ reports in the Press that India would sign the NPT, he was categorical that there was no change in the Government’s stand against it because of its discriminatory character. This was so even though ‘India has been under pressure, for several years past, including pressure from the erstwhile Soviet Union.’

Joint naval exercises: The statement explained the rationale of the decision on joint naval exercises thus: ‘India has defence cooperation with several friendly countries, including the United States. Indo-U.S. defence cooperation is focussed on exchange of professional information, high-level, visits and training. In this context, joint training exercises will be undertaken by the Indian and U.S. Navies. It is the Government’s view that these

training exercises would be professionally useful to our Navy. No agreement has been signed in this regard. The Indian Navy has recently conducted an exercise with the Australian Navy.’

New Delhi, it was pointed out, remained committed to a conflict-free Indian Ocean, and to the maintenance of peace and stability in its areas, free from intimidation and rivalry in the context of the 1971 Declaration of the Indian Ocean as a zone of peace.

Pentagon paper: As regards the Pentagon paper, India according to the statement, conveyed its serious concern to the United States, but was told that the ‘document was a draft paper prepared by middle-level Pentagon officials and would be subject to review and modifications,’ that ‘India’s concerns have been noted by the United States and modifications would be made to take them into account’ and that it ‘does not reflect the position of the United States on various issues dealt with.’

On the reported Pentagon advocacy for a continued substantial U.S. military relationship with Pakistan, Mr. Dixit, according to the statement, cautioned that any such step ‘would naturally have consequences in terms of Indian assessments and policy orientation.’

On issues arising out of the 301 probe, India, said Mr. Faleiro, had conveyed its desire to continue consultations with the United States at the Uruguay Round in a bid to narrow down differences.

Solanki Answers Questions on Relations With U.S.

92AS0835A Bombay THE TIMES OF INDIA
in English 24 Mar 92 p 7

[Text] New Delhi March 23 (PTI). India today ruled out the signing of the Nuclear non-Proliferation Treaty (NPT) as it was “discriminatory” and asserted that there had been no change in its stand on the issue.

“India will not sign the NPT. It is very clear,” the external affairs minister, Mr Madhavsinh Solanki told Mr Kapil Verma and Mr Chaturanand Mishra during question hour in the Rajya Sabha.

The minister said that the NPT would be reviewed in 1995. “So long as the (review) process has not started, the NPT is discriminatory between the nuclear power states and non-nuclear power states, between haves and have-nots, India will not sign it,” he said.

Mr Solanki said the late prime minister, Mr Rajiv Gandhi, had put up an action plan for total elimination of nuclear weapons in 20 years. During his recent discussions with the U.S. president, Mr George Bush, the Prime Minister, Mr P.V. Narasimha Rao had suggested that the “action plan” should be implemented in a time-frame of 10 years instead of 20.

However, on the issue of nuclear non-proliferation, India was prepared to have bilateral talks with the United

States. "But given the practical situation and ground realities, India had to consider on how to deal with the problem. This reality could hardly be dealt with in a meeting of five states as such a meeting could become only an exercise in acrimony," Mr Solanki said.

Sharing members' concern over the observations contained in the so-called Pentagon Paper, Mr Solanki said the foreign secretary, Mr J.N. Dixit, had conveyed India's feelings to his American counterpart on the issue.

Mr Dixit was assured that "India's concerns have been noted by the United States and modifications would be made to take them into account," the external affairs minister said.

"Officials of both, the State Department and the National Security Council, with whom the foreign secretary raised India's concerns, informed him that the paper does not reflect the position of the United States on various issues dealt with and that it is subject to further review," Mr Solanki said.

The draft Pentagon Paper outlined U.S. perceptions and strategies in relation to the entire world. It had suggested that United States should discourage "Indian hegemonic aspirations over the other states in South Asia and on the Indian Ocean." With regard to Pakistan, the paper said "A constructive U.S.-Pakistani military relationship will be an important element in the strategy to promote stable security conditions in Southwest Asia and Central Asia."

Referring to India's position on Special 301, Mr Solanki said investigation against India on the issue of Intellectual Property Rights (IPR) had been terminated. The United States trade representative, Ms Carla Hills, had, however, announced on February 26, 1992 that an inter-agency committee would be mandated to develop options for possible implementation and action if the facts so warranted.

Trade-related IPR issues were being discussed and negotiated in the GATT under the Uruguay round of multi-lateral trade negotiations. "It is in this context that the foreign secretary has conveyed that Indo-U.S. consultations could continue at the Uruguay round to narrow down differences wherever possible," Mr Solanki said.

With regard to Indo-U.S. naval exercises, the external affairs minister said those training exercises would be professionally useful to the Indian navy. However, no agreement had been signed in that regard.

The government has decided not to participate in the five-nation conference on NPTs, the minister of state for external affairs, Mr Eduardo Faleiro told Rajya Sabha today.

The government's stand is that a five-power conference cannot take place in a vacuum.

Outcome of Pawar's U.S. Visit Assessed

Correspondent's Report

92AS0926A Calcutta THE TELEGRAPH in English
10 Apr 92 p 5

[Article by Seema Sirohi: "Pawar's U.S. Visit Ends on Positive Note"]

[Text] Washington, April 9: The visit of the defence minister, Mr. Sharad Pawar, the first by an important Indian politician in the post-Soviet world, ended on a positive note with both sides expressing confidence in the future of their relationship.

The discussions ranged from the security environment in Asia to the developing defence cooperation between India and the United States. The visit provided a cordial opportunity for officials from both countries to explore each other's ideas, fears, and perceptions. "I tried to understand Pentagon's perception of India, its neighbours and give our perceptions. It is a very important year, because, for the first time there is cooperation in the field of defence," Mr. Pawar said at a lunch press conference.

He pointed out that the upcoming joint naval exercises were a symbol of that cooperation because it was inconceivable even two years ago. "There is definitely a change," he emphasised. "India can benefit from this relationship in terms of learning from a modern military force."

The confidence that better times are ahead was also expressed by Admiral David Jeremiah, vice-chairman of the joint chiefs of staff, who said yesterday Mr. Pawar's visit was in the context of "changing relationships in the world."

It provided a forum to share views on military questions. "We want to work together to continue to develop a solid relationship and exchange views on how our respective forces work," he said. However, when asked about the United States getting involved in regional security in South Asia, he said the idea was "far down" the road. "We prefer bilateral relationships. Basically, the idea is to have confidence-building measures between countries of the region," Admiral Jeremiah added.

At a dinner hosted by Ambassador Abid Hussain, there were at least six toasts to the growing relations between Washington and New Delhi. Among those who attended were Senator John Glenn, the number one person on Capitol Hill on nuclear issues. He expressed warm sentiments about India. There were four congressmen who also attended the dinner apart from senior defence and state department officials.

On the question of the five-nation conference, Mr. Pawar repeated the position taken by the foreign secretary, Mr. J.N. Dixit and did not commit himself on the issue. "India is not against the concept if it is global. We

want to understand and discuss in detail before coming to a definite conclusion," the minister said.

The nuclear proliferation issue was raised in his meetings with senior state department officials. The Americans are keen to have some form of dialogue going in South Asia before the presidential elections so the Republicans can claim yet another foreign policy victory. The issue of Kashmir also came up and Mr. Pawar emphasised India's commitment to the Shimla Agreement for working out the problem.

The visit gave senior Indian officials an opportunity to visit U.S. military bases and view some state-of-the-art technology. The delegation visited the Norfolk and Langley bases along with the military base in Fort Stewart in Georgia. However, no efforts were made to buy U.S. arms and Mr. Pawar stressed that he was not carrying a shopping list.

News reports had said India would buy self-propelled Howitzers but apparently favourable terms of payments could not be worked out. Nevertheless, the visit was significant as a consciousness-raising exercise and officials expressed the hope that a frequency of contacts can be maintained to further add to the momentum.

U.S. Interest Not Sudden

92AS0926B New Delhi *PATRIOT* in English 13 Apr 92
p 4

[Article by Girish Mathur: "Pawar in U.S.: Interim Estimate"]

[Text] It is too early to assess the results of Defence Minister Sharad Pawar's visit to the United States. The main purpose of the visit was, as he told Indian media-persons in Washington, "to try to understand the Pentagon's perception of India and its neighbours."

This, according to him, was necessary because for the first time the two countries have begun "defence cooperation." The idea was first mooted when four years ago Mr. Caspar Weinberger visited India, the first ever U.S. Defence Secretary, to do so. But at that time all that "defence cooperation" meant was an arms buyer-seller relationship.

India was then looking for an engine and avionics system for the light combat aircraft it had designed and was engaged in producing. India was also interested in some underwater technologies for its navy. Although the proposal had come from the American side, its response to Indian requirements was not very encouraging.

It was therefore in the fitness of things that at an early stage of his visit Mr. Pawar made it clear that he was not carrying a shopping list. This, however, does not mean that his entourage, which included Defence Ministry Scientific Adviser and Secretary of Supply Department, did not indulge in window shopping.

Their interest seems to have been confined to technologies. As Dr. V.S. Arunachalam, the scientific adviser, said, they wanted to buy with the purpose of indigenising technologies developed elsewhere instead of duplicating the effort in locally developing such technologies as were available in the market. But it is not yet known if the Americans, at least in principle, were agreeable to the transfer of these technologies.

In the meantime defence cooperation has come to mean much more. This should be evident from the exchange of visits by the top military brass and the decision to hold joint naval exercises. It is therefore natural for India to understand Pentagon's thinking before giving a durable shape to the relationship on which the two countries have embarked, the more so because the initiative for forging this relationship came from them.

One of the reasons why the Pentagon might be interested in the kind cooperation it now seems to be keen to develop was indicated by an American scholar in his presentation at the Indo-U.S. Strategic Symposium at Khadakvasla towards the end of 1990, Prof. Stephen Cohen, who specialises in the security problems of India and Pakistan and has written two books on the armies of the two countries.

He emphasised the Indian capability to project power in cooperation with another state, and recalled that the Indian army was the backbone of British imperial power, serving in Europe, the Middle East and South East Asia during World War I and II, and in the 1950s participated in several UN peace-keeping operations. He could have referred also to India's contribution to the current UN peace-keeping mission in Yugoslavia.

Prof. Cohen was not merely expressing his personal views. He was part of a delegation which was led by the then U.S. ambassador in India and included Pentagon generals. Moreover, during his subsequent visits to India he has begun putting across the U.S. case for India signing the NPT [Nonproliferation Treaty] and agreeing to a regional non-proliferation arrangement, more forcefully than so many other American scholars visiting India.

If we go by memoirs written by Canadian and Australian ambassadors to India during Nehru's days, it would appear that American interest in the capability of Indian armed forces to project power abroad is not a sudden development. Even at the height of the cold war they eyed Indian capability with the hope that some day it would be available to them.

At that time, Pakistan served them well. By the 1980s they had begun to look upon the Pakistani armed forces as the advance guard of their Rapid Deployment Force to hold the fort for them till they could move in full force. But it seems that the Islamic fundamentalist proclivity of the generals in Islamabad and their hesitation in joining the U.S.-led anti-Saddam coalition, American interest in India's military capabilities has been revived.

The question, however, is whether India is willing to make such capabilities available to any other power. It can be argued that with the end of the cold war the era of international cooperation has begun and that there should be no objection to extending cooperation to the United States in the interest of better understanding and mutual benefits. The cold war has certainly changed, but there is very little evidence to suggest that the cold war mind-set of the United States has changed.

In fact, the United States is looking for new enemies, and its search sometimes reaches ridiculous lengths. But recently nuclear scientists of the United States met at the Los Alamos National Laboratory in New Mexico. Also present on the occasion was the legendary father of the H-bomb, Edward Teller, now 84. Despite his age, his ardour for new nuclear weapons has not diminished. He wanted a super-bomb 10,000 times more powerful than any bomb hitherto built, to meet the danger to the earth from collision with comets rotating round it.

In the recent Pentagon paper which was leaked to the NEW YORK TIMES, a less ambitious programme has been set down—to prevent any rival superpower from coming up and challenging American supremacy. American policy-makers assured Foreign Secretary J.N. Dixit that the document should not be taken seriously as it was only a draft prepared at lower bureaucratic levels. Similar assurances seem to have been given to Mr. Pawar, although he says he did not take up the matter with Mr. Cheney.

By the time the draft is turned into an official policy paper, its language may undergo changes and some of the points made out in it may not even find a mention in the final document. But there is no denying that as it is the draft reflects the dominant thinking not only in the Pentagon but also in the State Department and foreign policy establishment, although, as diplomats, they use a different idiom.

The sum and substance of the post-cold war American foreign policy is that the cold war has ended in American victory and that the leadership of the world has now fallen on the United States. It is now for the United States to ensure peace and security in the world by forging a new world order in which American interests and values should prevail. Any number of speeches of President George Bush can be cited in which he has talked of the leadership role of his country.

The draft also refers to the American responsibility to curb India's hegemonic role. A number of American writers on South Asia have also written about India's hegemonic designs, although they have taken the precaution of saying that fears in this regard are entertained in Pakistan. If last year's issues of American foreign policy journals are taken, a number of writers have hinted at the possibility of an India-Pakistan war. If the United States has to play the global leader's role, as President Bush

says it has to, it would be natural for it to seek to curb Indian hegemony and ensure peace between India and Pakistan.

The Pentagon and the State Department may dismiss the NEW YORK TIMES-leaked document as a draft which should not be taken seriously. But the fact that it represents dominant thinking in the Administration cannot be denied. Mr. Pawar and the Indian Government would do well to keep this in mind when they sit down to assess the results of his talks in Washington and take appropriate policy decisions.

Pawar Meets Press on Return From U.S.

*92AS0918A Bombay THE TIMES OF INDIA
in English 14 Apr 92 p 1*

[Text] New Delhi, April 13. The first-ever joint Indo-U.S. naval exercises will probably be held in September in the Indian Ocean, reports PTI.

The defence minister, Mr Sharad Pawar, just back from Washington after talks with U.S. leaders, said the joint exercises will be held after the monsoon and the exact dates will be fixed by naval chiefs of the two countries.

The United States navy, which has a large presence in the Indian Ocean, will be the third navy after the Soviet Union and Australia with which the Indian navy will hold joint exercises.

Talking to newsmen after the military investiture ceremony here, the defence minister described his visit to United States and talks with U.S. leaders as "very good" saying that relations between the two countries were changing rapidly in a positive direction.

Meanwhile, Mr Pawar has said that the United States wants India to play a more positive role in the region.

Describing his recent visit to the United States as a "good trip", Mr Pawar told newsmen here that the relations between the two countries had "totally changed" with the United States and India's overall perceptions in the region finding compatibility.

Mr Pawar said he had held extensive discussions with U.S. leaders, including the vice-president Mr Dan Quayle, and the defence secretary, Mr Dick Cheney, and felt that the United States did not want any country to create problems in the region.

The defence minister, who was talking to newsmen at Rashtrapathi Bhavan after the military investiture ceremony, said the topics that had come up for intensive review included the nuclear non-proliferation treaty, Kashmir and Punjab bilateral issues and service ties.

On Kashmir, Mr Pawar said there was a clear understanding between the two countries that the issue should be resolved in the spirit of the Simla agreement.

Mr Pawar said he had briefed the U.S. leaders about Pakistan's overt and covert support to militants in

Punjab and Kashmir and impressed upon them the need for the United States to dissuade Pakistan from such a course.

On forces-to-forces co-operation between the countries, the defence minister said a "good ground work for it" had already been made and his visit had further strengthened understanding in this field. He said the joint naval exercises between the U.S. navy and the Indian navy would be held after the monsoons.

Mr Pawar said similar co-operation would also be extended in the other two services. He said the two countries had already decided on the armies of the two countries taking part in joint international seminars, sending high level teams to military academies of the two countries and having observers to each other's major exercises and military manouvres.

Commentators Discuss Relations With U.S.

U.S. Pressure Considered

92AS0924A Madras *THE HINDU* in English
30 Mar 93 p 9

[Article by K.K. Katyal: "Ties With U.S.: Tough Task Ahead"]

[Text] Those who have suddenly discovered the fact of the U.S. pressure on India—on nuclear non-proliferation, if not so much on Kashmir—have either misread the signals from Washington all these months or deliberately chosen to stay in their world of make-belief. If the members of the Political Affairs Committee of the Union Cabinet are also surprised—as suggested by recent reports—by the bolt from the blue, which is how the U.S. stand is regarded by the members of this august body, it is a disturbing sign. It shows that some among the political leaders, charged with crucial policy decisions, have not grasped the nuances of foreign affairs.

The pressure from the United States had been unmistakable and consistent. One could cite the chapter and verse to show what Washington had been wanting India to do in the matter of non-proliferation. For nearly a year, it has been unusually active. The uninitiated among our political worthies have suddenly woken up to the reality now—perhaps this aspect was obscured by the glitter of the new turn in the Indo-U.S. relations.

The warmth in the U.S. relations with India has been obvious. Conscious efforts were made in this regard by the two sides (in their own subtle or not so subtle ways) and the improvement process received an impetus after the end of the cold war. This is because, as explained by the External Affairs Minister, Mr. Madhavsingh Solanki, in a recent interview, the inhibitions that had stood in the way of closer relationship were no longer relevant now. This cosying up was evident in many ways—from the New Delhi side, by the support in the United Nations of a pro-Israel resolution, and by the upgrading of relations with Israel, and from the U.S. side by its

recognition of India's pre-eminent role in the region, by its understanding of the India position on matters concerning Pakistan, and the expansion of ties covering a wide range, notably defence.

However, there are three or four areas in which the U.S. stand was not too comforting to India. The developments on the trade front, what with threats of reprisals under the Super 301, are well-known. The action, contemplated against India may have been suspended but not given up. The U.S. view of the role of the UN Council is not on all fours with the Indian perception. That, however, is a wide issue and not directed against India as such. But on non-proliferation and on some (though not all) aspects of the Kashmir problem, India, it has been clear, will feel the pinch of increasing U.S. pressure.

As has often been noted in these columns, tough challenges are ahead of Indian diplomacy, calling for a high degree of skill and sophistication on the part of those responsible for the conduct of external relations. The Indo-U.S. warmth is worth working for, worth preserving and promoting. And it is the obligation of both the sides to guard it against a negative attitude and ill-conceived, hasty moves. Washington, at times, does not appear to appreciate this. Had this not been the case, it would have shown greater regard for India's sensitivities on the nuclear issue and avoided conveying the impression that New Delhi was sought to be pressured into submission.

The U.S. concern for containing the spread of nuclear weapons is understandable. Also, it is not hard to see the logic of its anxiety to ensure that a delinquent regional power does not plunge the world into a nuclear holocaust, now that the end of the cold war has considerably reduced such a danger from the big powers.

The United States however has settled for a piece-meal approach with special emphasis on South Asia, West Asia and the Korean peninsula. In the case of South Asia, Washington's initiative came in the form of a proposal for a five-nation conference (of India, Pakistan, United States, Russia and China) to work for a nuclear-free South Asia. Even when the proposal was first mooted by the Pakistan Prime Minister, Mr. Nawaz Sharif, in June last year, it was widely known that the real author was the United States Washington, thus, sought to get over India's objection to the nuclear non-proliferation treaty, though there was no change in the ultimate U.S. goal. The manner in which it was pursued by American officials—Mr. Reginald Bartholemew, Assistant Secretary, and Mrs. Teresita Schaffer, Deputy Assistant Secretary of State, among them—left little doubt about the U.S. seriousness. The U.S. President, Mr. George Bush, commended this proposal to the Prime Minister, Mr. P.V. Narasimha Rao, at their meeting in New York on Jan. 31 (Mr. Bush mentioned this subject twice in the course of a brief 25-minute exchange of views). It was then that Mr. Rao suggested bilateral talks on the issues arising from the U.S. proposal. The recent visit to

Washington of the Foreign Secretary, Mr. J.N. Dixit, was devoted largely to this subject. It is now to be taken up in another two months by middle-level officials from the two sides.

The pressure on the nuclear issue has been greater than on the Kashmir problem, though, at times, these are regarded as two facets of the same phenomenon—the potential for Indo-Pakistan conflict, and its degeneration into a nuclear clash. The rationale for whatever operational suggestions (like the five-power proposal) have emanated from Pakistan has been set out at length by the U.S. officials, connected with policy-making, or close to the highest seat of power, from time to time. It would not be out of place to cite some relevant quotations.

Mr. Richard N. Haass, Special Assistant to the President, who discussed the problems of South Asia in a comprehensive address on January 13, 1990, referred to the issues arising from Indo-Pakistan contradictions thus: “if neither country is willing to eschew the nuclear option altogether, there are steps that each can take to add stability to a potentially destabilising situation. One step has already been taken in large part: an agreement by Islamabad and New Delhi not to attack one another’s nuclear facilities. Other confidence-building measures in the nuclear field would also be useful. A bilateral ban on the testing of nuclear explosive devices in any environment would be a major milestone. So too would be an arrangement to exchange visits of observers to one another’s nuclear facilities. Worth considering too are bilateral consultations on doctrine, safety and command and control.”

In February 1990, Mr. John Kelly, Assistant Secretary of State, had this to say: “We will continue to urge implementation of the 1988 India-Pakistan agreement prohibiting attacks on each other’s nuclear facilities. We encourage both sides to discuss other ways to limit the risk of nuclear proliferation and the possibility of conflict on the sub-continent. We intend to work with other interested parties, such as the Soviet Union and China on this issue.”

According to Mrs. Schaffer’s report on the developments in 1991, one focus of the U.S. policy for the region was the effort to encourage and develop a regional understanding on nuclear non-proliferation. While acknowledging that the traditional positions of Pakistan, India and China “are incompatible, (U.S. officials believe) there is scope for progress.” The United States hoped to work with India, Pakistan and China and the relevant parts of the Soviet Union “to try to take advantage of the changes in the world scene and also to take advantage of what we think is the desire of India and Pakistan to reduce tensions between themselves.”

In January last, Mr. Robert Gates, the CIA Director, conveyed to the Congress his “major concern” over the arms race between India and Pakistan. He said: “Not only do both countries have nuclear weapons and ballistic missile programmes, they recently have pursued

chemical weapons as well. These programmes are particularly worrisome because of the constant tensions and conflict in Kashmir. We have no reason to believe that either India or Pakistan maintains assembled or deployed nuclear bombs. But such weapons could be assembled quickly and both countries have combat aircraft that could be modified to deliver them in a crisis. The United States continues to oppose exports of space launch vehicles or advanced computer technology to either country by the CIS, China or the MTCR partners because of the high probability that such technology could end up in nuclear long-term ballistic missile programmes.”

Initially, the U.S. stress was on bilateral understanding between India and Pakistan to control nuclear weapons. Later, the five-power proposal was enunciated to achieve this objective. This was done, the United States explains, in view of New Delhi’s concerns about the Chinese programme. That the proposal rouses new questions without providing answers to the old ones is a different matter.

On Kashmir, the U.S. stand against the validity of the UN resolutions has been a source of great comfort to India. Washington has also shown awareness of the systematic campaign in Pakistan for organised help to saboteurs in the Kashmir Valley and Punjab. At the same time, the United States to quote Mrs. Schaffer again, views Kashmir as “disputed territory” whose future is yet to be decided. “We have held for 19 years that the best way to do that is for India and Pakistan to settle the issue in the manner laid out in the Shimla Accord of 1972.” No meeting of officials from India and the United States (where new Delhi’s relations with Pakistan figure) is complete without American exhortation for talks on the future of the State, which according to Washington, are mandated by the Shimla Agreement. Yet the CCPA [expansion not given] members got excited last month when they were told, at the time of the controversy over the JKLF’s plan for the border crossing, that the United States wanted India to settle the Kashmir issue with Pakistan.

Instead of carrying “pressure”, the better course for our political leadership would be to help evolve credible counter-proposals and build national consensus for the necessary back-up.

Factors in Naval Relations

92AS0924B *Madras INDIAN EXPRESS in English*
28 Mar 92 p 10

[Article by Rahul Roy Chaudhury: “Indo-U.S. Naval Relations; Three Critical Factors Will Determine Their Future”; quotation marks as published]

[Text] In view of the dramatic transformation of the global security environment, the scope for Indo-American military relations has grown considerably. The end of the Cold War and the disintegration of the Soviet

Union has led to an improvement in diplomatic relations between the two countries; and compelled the United States to extend its search to India for an ally in South Asia. In this context, defence co-operation is expected to play a critical role in the future. Areas of collaboration between the two armies are gradually being established. The extent and scope of naval relations, meanwhile, is still under discussion. Since this is an issue of critical importance its implications for Indian naval policy need to be assessed carefully.

Due largely to the politics of the Cold War, the United States did not perceive it necessary to supply sophisticated arms to a country not participating in the containment of Soviet 'expansion.' Nonetheless, during 1947-65 it provided 250 M-4 Sherman and 150 PT-76 tanks to the Indian army; and 20 helicopters and some 100 planes to the air force. In addition, on two separate occasions in 1962-65 and the late 1980s, it sent India critical military assistance. Some 92 million dollars worth of air radars, communication, and mountain warfare equipment was sent in the 1960s. In the wake of the 1985 MOU [Memorandum of Understanding] on technological transfer, the United States is assisting India's LCA [light combat aircraft] project. This includes the supply of three or four GE F-404 turbo-fans, co-operation in the development of the GTX-35 Kevari engine, and the provision of carbon composites, digital engine control, and fly-by-wire systems.

American technological contribution to Indian naval development has been negligible. During 1947-65, it received absolutely no American assistance. The American arms embargo on India for the next 10 years precluded the transfer of combat equipment to New Delhi. Although the navy received 10 Hughes-300 helicopters in 1971, they were considered to be non-lethal equipment used for training and communication purposes and therefore did not come under the purview of the embargo. From the mid-1970s, attempts to acquire American sonar and other related items were not successful. At present, American naval assistance is confined to the employment of Singer Librascope fire control systems aboard India's HDW submarines.

In April 1991 the Kicklighter proposals advocated, for the first time, "expanded strategic co-operation" between Indian and American armed forces. Named after a former Commander of the U.S. army in the Pacific, they dealt primarily with aspects of army-to-army co-operation. These included exchanges of high-level visits, periodic policy reviews, and joint staff talks. In order to implement these activities, a steering committee was set up. Its first meeting was held in New Delhi in January 1992.

The agenda for Indo-American naval co-operation will take place in a manner similar to that of the army. Deliberations between naval officials of the two countries will lead to the formulation of the Larson proposals (named after Admiral Charles Larson, the C-in-C [commander in chief] of the U.S. Pacific Command). These

will include the offer of training facilities, information on communication frequencies, and conduct of joint naval exercises. A naval steering committee would then be set up.

The United States is particularly eager to co-operate with the Indian navy, for military and political reasons. While Indian naval capabilities do not present a potent threat to American warships, they could complicate American naval operations in the Indian Ocean (for example, in ensuring the security of maritime trade). The nuisance value of the Indian fleet, therefore, needed to be neutralised. In addition, the characteristic of the navy as indigenous to the Indian Ocean legitimised somewhat a role in the maintenance of peace and stability in the area. In this respect, the United States had watched Indian naval operations off the Seychelles, Sri Lanka and the Maldives. Similar role could be of immense value in the future. American co-operation with the Indian army and air force, on the other hand, did not provide such opportunities for American policy. Partly for this reason, military negotiations are being handled by the U.S. Pacific Command, essentially a naval command.

Although the Indian navy is eager to reciprocate the interest shown by the United States, the nature of its response will be governed largely by three factors. The first will be the level of co-operation with the U.S. navy in the Indian Ocean. In view of the Kicklighter agenda, the stated objective of the Larson proposals would be "expanded co-operation and partnership by the end of this decade." In this respect, the Indian navy is beginning to prepare for joint naval exercises with its American counterpart. In a significant move, it carried out a two-day exercise last November with an Australian frigate, the *Torrens*, off the Andamans. This was the first time in 30-odd years that such joint manoeuvres had taken place (notwithstanding the relationship with the former Soviet navy). In the event that the United States perceives the Indian navy simply as an appendage to its own forces, the Indian commitment to naval co-operation would suffer. While it would not be possible to attain partnership, in the full sense of the word, with the United States, a balanced mix of American and Indian warships should be constituted for any joint operation in the Indian Ocean. This could be formed on the basis of prior experience, deployment patterns, and military capabilities.

The second factor will be the ability to acquire sophisticated weapon technology from the United States. While the United States maintains a discreet silence over this issue, it is logical to expect such transactions to take place. In terms of the lessons learnt during the Gulf War, the Indian navy has already identified several areas in which it is deficient, and could benefit from an input of American technology. These include 'force multipliers' such as electronic warfare and early warning systems; sonars, and sub-surface missiles. This list appears quite ambitious in view of the cost of these technologies, and American dissatisfaction over India's nuclear and ballistic missile programmes. An indication of American

policy in this regard will be the stance it takes on the liberalisation of the technological export control regime.

The third factor will be the policy of the U.S. navy in the Indian Ocean. During the 1980s the American naval presence in the Indian Ocean increased considerably. This included the provision of additional base facilities, the upgradation of existing ones (such as Diego Garcia), and the expansion of fleet rotation in the area. Although the United States has begun reducing its military forces worldwide, it has not done so for Diego Garcia. This island continues to serve a critical function as a 'forward defence' base for the enhancement of troop mobility. While Indian naval ships should be allowed access to its facilities, a reduction in its military component would ensure increased commitment to naval co-operation.

While Indo-American naval relations are slowly being established, their degree of success remains uncertain. It is unfortunate that expectations on both sides have been raised. Both the Indian and American navies must tread carefully, and honestly, to fulfil their objectives.

IMF Concerned Over Economy's Slow Growth

92AS0920A Bombay THE TIMES OF INDIA
in English 8 Apr 92 p 1

[Text] New Delhi, April 7. The low rate of growth of the Indian economy, as reflected in stagnant industrial and agricultural production during the financial year just ended, is causing concern in the World Bank and the International Monetary Fund (IMF) circles.

The multilateral lending agencies, which have a stake in the success of the policy reforms programme initiated by the government, are keen that adequate supportive measures be adopted to spur higher growth of gross domestic product (GDP).

In recent meetings of the Fund-Bank authorities with Indian officials on the progress of India's economic policy reforms, two other problem areas were identified. These were the failure to bring the rate of inflation down to the desirable single-digit level and the lack of adequate follow-up measures to key policy pronouncements.

A substantial turn-around in the performance of the industrial and agricultural sectors during 1992-93 is being considered crucial for the reforms to succeed. It is acknowledged that the initial years of structural adjustment are always difficult as the policy reforms, because of the inherent time-lag, cannot lead to dramatic results. After the substantial slow-down in the economy experienced last year, the current year is, however, expected to yield better results.

During 1991-92, the GDP growth rate is estimated to have declined to below 2.5 percent with zero growth in industrial production and agricultural output stagnating, despite successive years of favorable weather conditions.

On the industrial front, a recovery may be staged this year as several factors which might have inhibited

growth last year seem to have been dealt with in recent policy measures. Import compression, for instance, was a primary negative factor last year. This bottleneck has now been removed with the withdrawal of the RBI import policy for capital goods, raw materials, components and industrial consumables.

Also, the licensing of host of industrial, coupled with the liberalized foreign investment policy undertaken in the middle of last year, would start showing a positive effect on the industrial investment climate in the months to come.

The Fund-Bank authorities are understood to have emphasized that growth of the economy cannot be left to chance and a host of supplementary and supportive measures should be undertaken to speed up the process of structural reforms.

Analyst Comments on Dialogue With EC

92AS0858A Madras THE HINDU in English
15 Mar 92 p 8

[Article by K.K. Katyal; boldface words as published]

[Text] What was the recent dialogue between the Indian Government and the European Community [EC], as represented by its trioka, like? At one stage, when the discussion turned to nuclear non-proliferation, one of the three visiting Ministers, Mr. Mark Lennox-Boyd, of the U.K., waved a clipping from THE HINDU—that day's lead story by this writer on New Delhi's latest thinking on the subject—and asked whether it really represented a new approach. If that was so, it was welcome, he said in so many words. The External Affairs Minister, Mr. Madhavsingh Solanki, explained that while the report contained the assessment of the writer, it was based on close study of the official thinking.

Two points were clear from the brief episode. One, the dialogue covered not just the economic subjects with which the Community was associated till recently but a wide range of issues, political and sensitive. Nuclear non-proliferation was one. Two, the atmosphere during the discussions was warm and informal, not marked by stiff cold formalities. The clipped story referred to the Government's approach to the situation created by the U.S. insistence, if not on accession by India to the nuclear non-proliferation treaty [NPT], on a regional agreement to check the spread of nuclear weapons in South Asia. The Government, it said, would not adopt a rejectionist attitude on the various proposals in this regard, mooted of late, while sticking to its stand against the NPT. On this delicate issue, India's thinking was not on all fours with that of the Community (as also of the U.S.) but the discussion was smooth, without a trace of tension.

India and the E.C. will have a lot to do with each other in future. That is as it should be.

Gradually, the realities have begun to dawn and it is increasingly clear that the world after the end of the cold war is not dominated by one power—the United States—but that the new pattern is multi-polar. Notable among the several poles is the European Community, and, of course, Japan. At the political plane, the United States does call most of the shots but when it comes to economic issues—which will count more in the future—the E.C.'s clout is not to be under-estimated.

It is in order, therefore, that apart from coming closer to Washington, India should be taking care to strengthen its ties with the E.C. The recent visit to New Delhi of the Community's troika—the representatives of the current, past and next presidency—though part of an on-going process, fitted in well with India's priorities. The troika and the Indian Government had inter-acted on five occasions in the past but this was the first time that three Ministers representing the E.C. made a trip to India. They were: the Foreign Minister of Portugal, Mr. Joan de Deus Pinheiro, his counterpart from the Netherlands, Mr. Hans van den Broek, and the U.K. Parliamentary Under-Secretary of State, Mr. Mark Lennox-Boyd. The setting in which economic subjects were considered was new too—in the wake of the 'reforms' package. Also, this was the first such contact after the Maastricht summit of December 1991 when the 12 members of the Community decided to form a European Monetary Union, apart from agreeing to move towards the goal of common foreign and security policies, and finally a common defence policy. In many ways, the E.C., an economic combine till recently, is well on its way to emerging as a sovereign entity.

Positive round

The troika's discussions covered a vast range of political and economic issues, such as terrorism, human rights, consular and visa regulations, asylum, policy environment, science and technology, trade, investment and last but not the least nuclear non-proliferation. The two sides agreed on most of these subjects and where agreement was not possible, they understood each other's views. The tone, content and outcome of their two-day round was positive.

This was so even though the troika preferred to hasten slowly on India's suggestion for an institutionalised framework for contacts with the E.C. The visiting Ministers were not enthusiastic either about India's suggestion for a joint statement on their discussions. In the first case, they felt that the existing Joint Commission was a good enough forum for inter-action. And a joint statement, according to the E.C.'s practice, is reserved for cases of complete identity of views—on matters covering perceptions of global security, human rights. On some of these issues, India held different views and stuck to its position.

The E.C. had shown considerable understanding of India's plight as the victim of international terrorism. It

had, more than once, cautioned Pakistan against continued abetment of terrorist activities in Jammu and Kashmir and Punjab. The E.C. found substance in India's allegations that shady agencies had been organising campaigns, intended to destabilise its border areas from the Pakistan-occupied parts of Kashmir. Recently, the E.C. impressed on Islamabad the urgency of stopping the JKLF's [Jammu Kashmir Liberation Front] announced march across the Line of Control.

At the same time, the E.C. and its member-countries individually have not missed any opportunity to express concern over what they called violations of human rights by the security forces in Jammu and Kashmir. Touching upon this subject, the troika sought to make a case for the visit to the valley by the representatives of the organisations such as Amnesty International. Obviously, the Indian stand that charges of excesses, whenever levelled, were probed and punishment awarded to those found guilty had not carried conviction with them. There was only partial appreciation of New Delhi's stand that the votaries of human rights abroad had not bothered about the rights of the innocent victims of terrorist barbarity, who included men, women and children, nor showed sufficient awareness of the pressures under which the law enforcement agencies had to retaliate when the terrorists operated at time and places of their choosing.

That the international agencies abroad should have relied, almost wholly, on the material and comments provided by the human rights advocates in India testified to the soundness of the functioning of the Indian polity. It, therefore, should not be difficult for the E.C. and others of its way of thinking to take a balanced, realistic view of the situation in the areas affected by terrorist violence.

On the wider issue of human rights, too, there is a divergence in the views held by India and the E.C. As regards its record in upholding human rights, India had often pointed to the several positive features—free press, independent judiciary, democratic framework, the rule of law, the constitutional safeguards. However, it is opposed to the idea of using human rights as a pretext for interfering in the internal affairs of any country. And it would not like these issues to be mixed up with the imperatives of development or the economic needs of the poor countries. To those who would like the observance of human rights by the developing countries to be a pre-requisite for financial aid, the Prime Minister, Mr. P.V. Narasimha Rao, put the following poser: 'Does it mean that if I do not need foreign aid I could do whatever I like?'

The E.C., on the other hand, maintains that "raising individual cases of violations of human rights cannot be considered as interference in the internal affairs of a state but is a legitimate duty of the international community and all states, acting individually and collectively." A press release on the Community activities in 1991 mentions, with implied pride, that some 120 declarations and statements were issued on human rights

problems in Iraq, the territories occupied by Israel, El Salvador, Somalia, Ethiopia, Burma, China, Sri Lanka and East Timor. Besides, it says, 150 demarches were carried out to various Governments in order to "intervene to help persons suffering from arbitrary treatment or discrimination. Their confidential nature was designed to engage third countries in a constructive dialogue on human rights rather than in counter-productive public arguments."

Also the E.C. does not mince words in linking human rights with economic aid—"The European Commission," to quote an E.C. Document, "integrates human rights issues in economic relations and in development cooperation in third countries."

The divergence on human rights and non-proliferation does not overshadow the vast scope or constructive cooperation between India and the E.C.—to their mutual advantage. In the fight against terrorism, for example. At Maastricht, the E.C. decided to set up a European police organisation which, in course of time, could replace the national agencies. The centralised data bank of undesirable elements, proposed to be set up by it, could help both the E.C. and India if they share and pool information. India was concerned that the E.C., while removing restrictions on travel within, may tend to raise barriers for travellers from outside, if the curbs, now imposed by individual countries, are added up by the grouping. The trioka gave an assurance that it would not happen.

Trade and investment will continue to be main areas of cooperation. In this case too, the exchanges were frank and cordial. India was keen that the base of investment from the Community is broadened, and that, along with the expansion of the Europe-based companies, already in business in India, other big enterprises be encouraged to invest. This process could pick up, as India saw it, if the E.C. sends the right political signals. New Delhi hopes that the positive response by the Ministers would offset the coldness with which bureaucrats are traditionally associated.

The response from the E.C. members to the new economic package had been somewhat slow and hesitant for various reasons—continued misgivings about the attitude of the bureaucracy in India, negative pointers, not always justified, of the prospects of political stability, and of course, the genuine shortage abroad of the investible capital. New Delhi counts on the right signals from Brussels to the entrepreneurs in the Community. To what extent does the trioka help in this process will be watched with keen interest.

Sweden Rejects Request To Reopen Bofors Case
92AS0839A New Delhi INDIAN EXPRESS in English
11 Mar 92 p 1

[Article by Chitra Subramaniam]

[Text] Geneva—Sweden has rejected the CBI's [Central Bureau of Investigation] request for re-opening an investigation into the Bofors kickbacks.

"The Indian request contained no new elements and there is no reason to investigate the matter further," prosecutor general Thorsten Johnson told INDIAN EXPRESS. He added that all the elements available with the Swedish investigative process had been examined earlier and since the Indians had not brought anything new to the case "I do not see reason to change the earlier decision."

The Swedish decision comes as no surprise and raises some crucial questions about what the CBI was trying to do in the first place. Sources in Sweden said last week that by seeking to reopen the case just some weeks before the deadline runs out leaves the impression that the Indian investigators were themselves writing the case epitaph.

It is also curious that members of the CBI did not confer with Thorsten Johnson to find out what their chances were before writing to him.

With an official "no" from Sweden, the CBI can make the case that despite its efforts it has received no cooperation from that country. The question that bags an answer is—Who advised the agency to write to the prosecutor in Sweden runs out? Even casual enquiries would have revealed that the changed ownership of Bofors—on which the CBI rested its case—was not ground enough for the Swedes to reconsider their decision.

Pact With Brazil First in Latin America
92AS0849A Madras INDIAN EXPRESS in English
23 Feb 92 p 7

[Boldface words as published]

[Text] New Delhi—India and Brazil on Saturday signed a memorandum of understanding (MoU) providing for mutual consultations on matters of common interest—the first such agreement between this country and a Latin American nation.

Earlier, at 90 minutes of official talks on Saturday morning between Brazilian Secretary-General for Foreign Affairs Marcos de Azambuja and Foreign Secretary J.N. Dixit, the two sides found great parallelism in their approach to a wide range of international questions and convergence of views on matters of political importance.

Both countries noted that they had not signed the nuclear non-proliferation treaty (NPT) for broadly the same reasons and made it clear that the NPT was the "embodiment of discrimination" and thus not acceptable to them.

Pact with Argentina: A spokesman for the External Affairs Ministry told reporters that Mr. Azambuja pointed out that despite its reservations about the NPT,

Brazil had arrived at an agreement with Argentina to put each other's nuclear facilities under the International Atomic Energy Agency's safeguards.

At the same time, Brazil appreciated India's reservations about the Pakistani proposal for a nuclear weapon free zone in South Asia in view of its geostrategic situation. There was no attempt by Brazil to influence India in this regard, the spokesman said.

The spokesman said the MoU, signed by Mr. L.L. Mehrotra, secretary (east) and Mr. Azambuja, was originally proposed by Brazil five years ago and met a long-felt need of both countries to institutionalise exchanges of views at the Foreign Office level.

The two sides also discussed the GATT negotiations and their shared approach to issues such as intellectual property rights and debt burdens. The pros and cons of the Dunkel proposals were also discussed, the spokesman said.

UN democratisation: The talks also covered the moves for democratisation of the United Nations. Both sides said the UN Security Council must be more reflective of present-day realities and the changed world scenario.

The two sides pledged to work together to ensure greater regional representation for Brazil and India in the world body.

The meeting also discussed the United Nations conference on environment and development being hosted by Brazil in June this year. The two countries felt they had the necessary capacity to respond to environmental pressures and to the development needs of the third world.

The talks also covered bilateral matters, with both sides underlining the importance of greater cooperation. They also stressed the need to maintain high-level exchanges.

The Brazilian president is expected to visit India later this year. Mr. Azambuja invited External Affairs Minister Madhavsinh Solanki to visit Brazil.

Paper Reports Yeltsin Letter to Rao

92AS0852A Calcutta *THE TELEGRAPH* in English
4 Mar 92 p 1

[Text] New Delhi, 3 March: The Russian President, Mr. Boris Yeltsin, has written to the Prime Minister, Mr. P.V. Narasimha Rao, once again supporting India's stand on Kashmir and seeking the early restructuring of ties, specially in the area of trade and commerce.

The letter, sent last Friday, also introduces Russia's first deputy prime minister, Mr. Gennady Burbulis, who is arriving here later this month for talks on finalising long-term economic and trade agreements.

Mr. Yeltsin has expressed his inability to come to India for the time being because of his preoccupations at home

but assured Mr. Narasimha Rao that he will pay an official visit before the end of this year.

The Russians are keen that India sign the non-proliferation treaty and begin playing a more active role in Central Asia to counter the growing influence of Islamic countries like Iran, Pakistan and Turkey in the region. The Russians' repeated declarations of support to New Delhi on Kashmir are, in fact, intended to reassure India and encourage it to build stronger relations with the newly-independent Central Asian republics.

The Russians are concerned about the rise of Islamic fundamentalism in the region and feel that India is one of the countries that can effectively counter the trend by forging economic and political links with the republics.

Scientists From Former USSR Seek Jobs

92AS0834A Calcutta *THE TELEGRAPH* in English
9 Mar 92 p 1

[Text] New Delhi March 8 (PTI): A spokesman of the department of science and technology said he had received at least four applications for jobs from scientists of the erstwhile Soviet Union.

A decision on employing them had so far not been taken, he said. Asked what India's policy was on absorbing the best brains wanting to leave the former Soviet Union, he said, "So far we had not taken this seriously. But I think we must grab this opportunity and welcome them."

He said there were several scientific projects in India that could benefit from their knowledge. The spokesman, however, hoped the current brain drain from Russia and other republics was a passing phenomenon.

"Their countries need them. But if they want to come to India and if they could be useful to us, we would certainly throw a red carpet" he said.

Sources at the department of science and technology said the fate of the Indo-Soviet metallurgical center at Hyderabad and the polio vaccine production facility in Uttar Pradesh had become uncertain after the political changes in the former Soviet Union.

A critical equipment from Minsk for the metallurgy center has not arrived, and work on the vaccine plant has ground to a halt due to non-receipt of raw material from Moscow.

Solanki Visit, Talks in ROK Reported

92AS0841A New Delhi *PATRIOT* in English 17 Mar 92
p 8

[Text] Seoul, March 16 (PTI)—India and South Korea today signed a civil aviation agreement opening new air routes between the two countries.

They also reached an agreement on the need to have regular vice-ministerial level consultative meetings between foreign ministries of two countries.

The aviation agreement was signed here by External Affairs Minister Mahdavsingh Solanki and his South Korean counterpart Yi Sang-Ok. The agreement allows Korean planes to fly to Bombay and New Delhi, and Indian aircraft to Seoul and Pusan, stopping in Hong Kong and Bangkok.

The agreement also provides South Korean with beyond rights to West Asia and Southern Europe, and gives India the same rights to Japan and the United States.

Mr Solanki called on Premier Chon Won-Sik and received an invitation for Prime Minister P.V. Narasimha Rao to visit Seoul this year.

He had a meeting with Finance Minister Yi Yong-Man.

Mr Solanki met leading South Korean businessmen and industrialists at a luncheon hosted by the Korean Federation of Commerce and Industry.

Mr Solanki is to meet President No Tae-u tomorrow and will spend most of the day visiting industrial complexes and rural development projects.

Sino-Indian Joint Working Group Talks Reported

92AS0850A Madras *INDIAN EXPRESS* in English
22 Feb 92 p 7

[Text] New Delhi—India and China agreed on Friday to set up a "hot-line" for border personnel to maintain contact with each other and to hold meetings between military personnel in June and October every year in both the Eastern and Western Sectors as part of the effort to maintain "peace and tranquility" along the Sino-Indo border.

Briefing correspondents at the end of two days of discussions by the Joint Working Group, an official spokesman of the External Affairs Ministry said that the two sides also agreed to hold meetings and establish contact whenever the need arises apart from the regular scheduled meeting.

The decisions taken at this fourth round of border talks between India and China represent a significant step forward as for the first time, the two sides moved from concepts to specifics and agreed on a series of concrete confidence building measures, the spokesman pointed out. He said these measures could provide the basis for stepping up discussions to move on to the main question—the boundary.

The spokesman pointed out that this round differed from the other rounds in that for the first time, a joint press statement was issued by the Joint Working Group and representatives from the defence ministries and the armies of both countries also took part in the discussions.

Describing the talks as "very, very candid and animated," the spokesman said that the results were obvious in the fact that the leaders of both teams summed up the discussions as "satisfactory, meaningful and positive."

The spokesman, however, refused to be more specific on the confidence building measures finalised on Friday, saying that confidentiality was essential for the measures to be effective.

He said that both sides emphasised the need to maintain regular high level contact with each other to follow up on the thaw achieved by the visits of the late Rajiv Gandhi to Beijing and the Chinese Premier, Mr. Li Peng, to New Delhi. As a start, the President, Mr. R. Venkatarman, will visit China in May.

The President's visit will be followed by the visit of the Chinese Deputy Chief of General Staff, General Xu Xin, to New Delhi. The Chinese have also extended invitations to the Defence Minister, Mr. Sharad Pawar, and the External Affairs Minister, Mr. Madhavsingh Solanki, with a request that they should take place as soon as possible.

The Chinese Vice-Foreign Minister, Mr. Xu Dunxin, who led the Chinese delegation, also called on the Prime Minister, Mr. Narasimha Rao, and the External Affairs Minister, Mr. Madhavsingh Solanki, on Friday.

The concluding session of the Joint Working Group concentrated on matters relating to bilateral ties during which Indo-Pak relations and Sino-Pak relations were discussed. China is understood to have reiterated that it is interested in maintaining friendly relations with both India and Pakistan would like to see both countries sort out their differences peacefully through bilateral discussions.

Papers Report Visit of Ukrainian President

Meeting With Solanki

92AS0824A Bombay *THE TIMES OF INDIA*
in English 27 Mar 92 p 13

[Text] New Delhi, March 26—Ukraine today said it was strongly opposed to terrorist activities and asserted that the Kashmir issue should be resolved peacefully through mutual negotiations between India and Pakistan, reports PTI.

The Ukrainian stand was conveyed to India by the visiting President, Mr Leonid Kravchuk, when the external affairs minister, Mr Madhavsingh Solanki, called on him here.

Mr Kravchuk made it clear that problems cannot be resolved by resorting to terrorist activities "wherever it occurs and whoever indulges in it."

Earlier, Mr Solanki referred to difficulties being faced by India with Pakistan and the latter's abetment of terrorist activities.

Explaining the Kashmir problem in its historical perspective, Mr Solanki said India was convinced that a peaceful solution to it within the Shimla [as published] agreement was viable.

Mr Kravchuk, who is on a five-day visit, said the Ukraine could appreciate the difficulties faced by India as they themselves were confronted with similar problems in one or two republics of the erstwhile Soviet Union.

Mr Kravchuk said his country would spare no efforts to help bring about peace in South Asia which was one of the important parts of the world.

Expressing his total agreement with India on the question of relevance of the Non-Aligned Movement (NAM), Mr Kravchuk said it was the Ukraine's declared policy to be a neutral and non-nuclear state.

The Ukraine shared the values of NAM and did not want to have any links with military groups and is determined to be a working partner for all progressive elements in the world community, he said. The Ukraine is one of the two most powerful republics of the erstwhile Soviet Union.

Mr Kravchuk said he was confident that such a firm and clear stand taken by The Ukraine would have a significant influence in European affairs.

He was hopeful that despite some adverse effects of disintegration of the Soviet Union, the basic impact of these events would be positive.

Mr Kravchuk said India and Ukraine had all the necessary conditions to build a qualitatively new relationship.

Meeting With Rao

92AS0824B Madras *THE HINDU* in English
28 Mar 92 p 9

[Text] New Delhi, March 27—On a three-day state visit here, Mr. Leonid Kravchuk, the President of Ukraine, perhaps the most influential member of the CIS [Commonwealth of Independent States] after Russia, has assured the Indian leadership of the proximity of his country's position with India's on critical international issues.

Ukraine has also agreed for defence cooperation with India. Trade relations will now move to convertible currency exchange, but scope will still remain for barter and counter-trade arrangements.

At the end of a two-hour meeting with the Prime Minister, Mr. P.V. Narasimha Rao, today, Ukraine signed a Treaty of Friendship and Cooperation with this country, described officially here as a "broad framework agreement."

Three other agreements have also been signed, one each on cooperation in science and technology, cooperation in the field of culture, and on trade and economic cooperation. The first two were signed between the External Affairs Minister, Mr. Madhavsingh Solanki, and his Ukrainian counterpart, Mr. Anatoly Zlenko.

Beside the Prime Minister and the External Affairs Minister, the Indian delegation, which held talks with the Ukrainians, included the Minister of State for Commerce, Mr. P. Chidambaram, and the Foreign Secretary, Mr. J.N. Dixit.

Posed for major role: India attaches considerable significance to the state visit of the Ukrainian President. The size of France, with a strong economic potential not to speak of its current status as a nuclear weapon power, Ukraine is poised to play a role in the life of Europe as well as the United Nations and has sympathised with India's stand on important issues, including questions concerning India's neighbours.

At a press conference today, Mr. Kravchuk said: We have come to lay a solid, qualitatively new foundation for bilateral relations. "We support the policies of India which are so much like ours."

In reply to questions, Mr. Kravchuk said military cooperation between the two countries was envisaged as part of the broader cooperation on science and technology. Nuclear cooperation was not envisaged, he said.

The Ukrainian leader said if his country was officially addressed on the question of the proposed five-power dialogue on making South Asia nuclear-free, it would respond and its reaction would be "positive."

Mr. Kravchuk said defence cooperation with India would be "for the benefit of peace and friendship." He also said such cooperation "will be used for international peace and security."

India's approach supported: Asked how Ukraine saw China, India and Pakistan, the Ukraine President said: "Relations with India are of extreme importance. We do support India's approach to solving any sharp problems of international affairs, including India-Pakistan problems."

Mr. Kravchuk has invited Mr. Rao to visit his country and the invitation has been accepted in principle.

More on Pact

92AS0824C Madras *THE HINDU* in English
28 Mar 92 p 1

[Article by K. K. Katyal: "Friendship Treaty Signed With Ukraine"]

[Text] New Delhi, March 27—The treaty of friendship and cooperation, signed by India and Ukraine today seeks to bind each side not to do anything that endangers the security of the other. Also, the two countries have

agreed to be in touch with each other at the political and defence levels for the maintenance of political stability.

These concepts enshrined in Article VIII of the treaty mark a major advance over the new arrangement contemplated, say, by India and Russia. The re-structuring of the bilateral understanding, in both the cases, became necessary following the demise of the Soviet Union—and the consequent collapse of the well-known Indo-Soviet Treaty of Peace and Friendship and Cooperation.

New Delhi moved quickly to fill the gap, caused by the end of the old order and the first drafts of the new treaties prepared during the visit of the Foreign Secretary, Mr. J.N. Dixit, to Moscow and Kiev as head of a team of secretaries. The draft agreed upon during discussions in Moscow was a completely watered-down version of the Indo-Soviet treaty, but the one hammered out in Kiev stopped short of the stage of total dilution. It took into account the security factor—though not in the manner in which it was taken care of by the erstwhile Soviet Union.

Ratification required: The text of the treaty was not made public today. The official explanation was that it would be done after the formal ratification processes in the two countries have been completed. In 1971, the Indo-Soviet treaty was released soon after it was signed.

The treaty with Russia is yet to be signed but the draft, already finalised, is unlikely to undergo a change. The two sides would have appended their signatures to it, had the Russian President, Mr. Boris Yeltsin, stuck to his earlier plan to visit India in the beginning of the current year. The visit has been re-scheduled for September.

The treaty signed today by the Prime Minister, Mr. P.V. Narasimha Rao, and the Ukrainian President, Mr. Leonid Kravchuk, is the first of its type between India and any of the republics of the former Soviet Union. Apart from the security-related provisions, the rest of the treaty is in the nature of an umbrella agreement, covering bilateral cooperation in economic and other diverse fields. It draws heavily on the concepts incorporated in the Delhi Declaration of 1986, signed by the Soviet leader of the day, Mr. Mikhail Gorbachev, and the then Prime Minister, Rajiv Gandhi.

Some of the comments by Mr. Kravchuk at his press conference here today or the points made by him in his talks with Mr. Rao, reflected the spirit of the new treaty. Mr. Kravchuk was emphatic that relations between States should be based on strict adherence to non-interference in each other's affairs, inviolability of borders and territorial integrity.

Pale reflection: There are two ways of looking at today's treaty. If it were to be compared with the Indo-Soviet treaty, that had served as the sheet-anchor of the relations between the two countries in the 20 years, beginning with the turbulent days of the Bangladesh war, it would clearly be a pale reflection. If viewed in the context of the vast changes, brought about by the end of

the cold war and related developments, and the new elements of the re-structured relationship, some of its provisions are substantive and significant. The joint commitment not to do anything, calculated to endanger each other's security has far-reaching implications. Coupled with the pointers of Ukraine's preference for a neutral stance in the global context, it acquires added importance.

The security clauses of the 1971 Indo-Soviet treaty, of course, were a different cup of tea.

Greater Attention Towards Central Asia Urged

92AS0816A New Delhi JANSATTA in Hindi 28 Mar 92
p 6

[Article by Jawaharlal Kaul: "Central Asia Has Become Our Priority"]

[Text] The Central Asian republics that have separated from the Soviet Union are at a turning point where they will either be forced into a civil war and its resulting problems or become highways for trade and cultural exchange between Asia and Europe. Two concerns are openly expressed about these new nations. Recently Larry Pressler, father of the much discussed Pressler Amendment, said in New Delhi that fundamentalist Islamic countries can form a coalition of nations that can become a danger to a country like India. The U.S. Government's worry about India's security is actually its own fear. It is concerned that these Islamic republics might form a separate bloc with the cooperation of Iran and Arab nations from Pakistan to Turkey, which could become a major hurdle against American influence.

Such a coalition cannot directly challenge the United States of America; however, it can limit American influence in this region. Such U.S. influence is very important for the United States, and it will not give up its influence in Asia at any cost. Other European industrialized nations can also interfere openly in central and western Asia. In this situation, perhaps there will be no opportunity for the United States to use any regional strife as an excuse for a combined military intrusion, as it did in Iraq. In the eyes of the United States of America, Iran has a greater concentration of fundamentalist Muslim organizations than has Pakistan, and it can directly influence some Central Asian countries.

The second fear is that these nations, after separating from the Soviet Union, might clash with each other because of their national demands and ambitions. The bloody war between Azerbaijan and Armenia is still going on. The relationship between these two countries became worse because of religious differences. However, we cannot deny the possibility of armed confrontation between countries that have a common religion. In such a situation, neighboring countries like Iran, Turkey, Pakistan, and Afghanistan can cause the situation to further deteriorate with their interference. The people living on the Azerbaijan border are of the same ethnic

identity as those living on Iran's border. Therefore, Iran can take the risk of exporting an Iranian type of revolution to this republic.

Pakistan has problems because of Afghanistan. If a government of pro-Pakistani fundamentalists is formed in Afghanistan, then it can easily access Central Asia. That is why, as long as Afghanistan is in its way, Pakistan cannot participate directly. In this context, Afghanistan can overturn the whole plan. Because of Najibullah's absence in the interim government, there is the possibility that some mujahidin groups form some kind of agreement with the Afghan army and might create a situation in which the country is divided into two parts. Afghanistan is actually a multi-ethnic nation. Even though Pathans or Pushtoons have ruled this country, the majority of the population in Afghanistan's northern border area is either Uzbek or Tajik. Their ethnic relationships are with Uzbeks on one side and Tajiks on the other side. At the same time, they are also related to the tribes living on Iran's borders. If these ethnic groups succeeded in getting the support of part of the army, then the movement of separatism would be spread in Afghanistan's northern region. It is difficult to say what role the Central Asian republics will play, and we cannot say whether or not Iran will promote such an action. If Iran supports separatism in its border areas in Afghanistan, then it will open the door for separatism in its own border areas also.

According to U.S. expert Graham Fuller, two mujahidin groups in northern Afghanistan have established contacts with an Afghanistan army faction led by General Abdul Rashid Dostam and have made initial plans for separating that region from Afghanistan. This mujahid group is Tajik and General Dostam is Uzbek. Mr. Fuller thinks that the Pushtoons will soon have only one option left. They will reactivate the "Greater Pushtoonistan" campaign all over again. This could result in dividing Pakistan. Pushtoon tribes in northwestern regions of Pakistan have been demanding a separate Pushtoonistan for a long time. Another group demanding a separate country is the Balochis. If Pushtoonistan is established, then it will pave the way for Balochistan.

We can call Fuller's prophecy exaggerated. There are no clear indicators to support these fears at this time. However, we cannot totally ignore such possibilities. It is not possible for India to ignore events in Central Asia and Afghanistan. It is definite that if fundamentalist clerics establish a government in Afghanistan, it will not be in India's favor. Therefore it is imperative that we aim to prevent such a development. For this, it is important that we establish close relationships with Central Asian republics. India clearly cannot establish relations with these nations from an ethnic or religious perspective. These relationships should be based on economics and politics. Most of the Central Asian republics are backward in the economic and industrial areas. The Soviet Union was divided into Asian and European societies even after a 70-year Communist regime. Neither did the European republics show any interest in

development projects in the Central Asian region, nor could the Asian societies be westernized. After the fall of the Soviet Union, and especially after the economic problems of the Soviet republic, the problems of the republics cannot be resolved even by remaining in the new commonwealth. It is very possible that the commonwealth will not last long and that Central Asian republics will suffer economically. Therefore, these republics have to look outside, rather than at the former Soviet Union, for economic aid.

Such aid can be obtained from neighboring Islamic countries like Iran, Saudi Arabia, and Turkey. Saudi Arabia and Iran are capable of helping with money. However, this will encourage an economy in this country that will depend on aid and loans. Neither Iran nor Saudi Arabia has the technical capability to provide assistance in establishing an industrial complex or a modern financial system. Turkey is in a better situation in this regard. It is an Islamic nation; however, it is westernized from an industrial and economic perspective. In addition, it is a member of NATO. It can therefore act as a go-between in establishing relations between East and West. Therefore, some Central Asian republics would be more willing to cooperate with Turkey. This is also possible because they have an ethnic relationship with people living in the border areas of Turkey. The Turkish language has also influenced the language of this region. Still, their national character might stop the people of this country, because Turkey itself is not very tolerant of the Kurds.

If there is any country among the Central Asian republics that has the capability of moving these countries from a communist economy to a modern one, then it is India. Most of the needs in the Central Asian republics' societies are the ones that India can meet. In this context, Oscar Avayev, president of Kyrgyzstan, made an important statement while visiting New Delhi recently. While talking to newsmen, he said that India makes many things that are necessary for his country. For example, he said, India is fully capable of establishing consumer production industries and providing raw materials for it. This would also benefit India, because a huge market through Kyrgyzstan could be opened for India in the Central Asian region. This should not be limited to consumer goods alone. The newly freed republics should get out of the old system and establish administrative and technical mechanisms to enter the open market economic system. For example, these countries need administrative services, banking, and financial services very badly. In addition, the Soviet Union used these republics to produce raw materials. These countries are very backward in the transportation [field], especially in railway services and industrial research. India can help them in all of these areas. Among the six agreements signed with Kyrgyzstan, some were related to training in these areas.

It is true that the Central Asian republics are Islamic. However, these countries do not treat Islam the way Iran and Arab nations do. "Pan-Islamic" feeling is not strong

in these republics. The fundamentalist parties do have some influence on Azerbaijan's and Uzbekistan's people living on the Iranian border. However, there is almost no fundamentalist influence in Kyrgyzstan and Kazakhstan. There are two reasons for this. First, in spite of Islamization, these regions have maintained their ethnic identities. Because of their tribal character, the pre-Islamic traditions and culture have been maintained here. Therefore Kyrgyzstan, in spite of being a Muslim majority country, has Christians and Buddhists living there also. The fact is that Kyrgyzstan's president had specially mentioned in Delhi that he did not support religious fundamentalism. The second reason is that because of the 70 years of Soviet rule, the pluralism of religion has weakened greatly here. Even though these regions had never really recognized communism, religion had become an individual faith here.

If the Central Asian republics establish their economic, political, and cultural identities, then political unrest can be postponed here. If these republics continue to maintain their national identities and become economically self-sufficient, then political events can be controlled not only in Central Asia but also in the northwest regions of the Indian subcontinent. If Afghanistan remains in an unstable situation because of the prolonged civil war and continued interference by Pakistan, then its influence in Central Asian republics will be limited. If these republics can become economically self-dependent, then they can establish economic and political relations with a huge democratic nation like India. Because of the disintegration of the Soviet Union, there have been so many problems that India has had to show its political skills to help save these countries. Otherwise, these problems will become so exacerbated that we will have no alternative but to get entangled in them.

Minister Denies Defense Relations With Israel

92AS0842A Calcutta *THE STATESMAN* in English
28 Feb 92 p 7

[Text] New Delhi, Feb 27—Cooperation with Israel in defence-related matters in the near future has been categorically ruled out by the Government. When stating that during question hour in the Rajya Sabha today, the Minister of State for Defence, Mr S. Krishnakumar, claimed that he could not comment on the veracity of newspaper reports which had quoted his senior, Mr Sharad Pawar, as having said that the two countries could cooperate in anti-terrorist methods.

Faced with a barrage of supplementaries, Mr Krishnakumar repeatedly stressed that there was "no proposal", "no initiative", "no offer" for any kind of defence ties with that country—the subject had not even been formally discussed in the Defence Ministry.

Though anti-terrorist operations fell within the purview of the Home Ministry, Mr Krishnakumar said he had been "authorized" by that Ministry to state that there was no proposal for cooperation with Israel in that sphere either.

Several members had spoken of Israel's success in dealing with terrorists, as well as its achievement in military technology, upgradation of weapon systems, and suggested that India could benefit from that experience. Particularly in view of the changed circumstances in the former Soviet Union and the fact that a major source of Indian military equipment had dried up.

Mr Krishnakumar said that "academically" one could say that India might buy arms from Israel in the future. Whenever such purchases were made, the Government looked at what was available from all countries with which it had diplomatic relations. But there was no immediate prospect of that.

The relations with Israel would be "calibrated", cooperation would be sought in stages and the question of dealing with terrorism was one of the future. "Technically no country could be excluded" in such matters. He admitted that Israel had certain defence capabilities worth noting.

The Prime Minister made a brief intervention. As there had been no contact at the Government level with Israel for a long time, "we obviously know less than some of the members. Once the relations start functioning, we will see what we can learn from them."

The House was divided over military cooperation with Israel. Maulana Obaidullah Khanazmi (JD) took exception to Mr Sharad Pawar having spoken of learning from Israel how to deal with terrorists. Israel, he said, described as terrorists the Palestinian people—whose cause India had long espoused. Was India attempting to deal with militancy in the manner that Israel had tackled the Palestine issue?

Mr Krishnakumar replied that India's "commitment to the Palestinian cause remains undiminished".

Foreign Secretary Meets With Turkish Counterpart

92AS0830A Madras *THE HINDU* in English
17 Mar 92 p 9

[Article: "India, Turkey Keen on Secular Basis for Ties"; quotation marks as published]

[Text] New Delhi, March 16. In an effort to upgrade their economic ties in a direction which would facilitate greater economic cooperation with the West in general and the European Community (EC) in particular, India and Turkey expressed desire to develop their relations on the foundation of secular and democratic principles with premium on free enterprise.

The discussions at the foreign secretaries level between the Turkish Undersecretary of State, Mr. Ozdem Sanberk and his Indian counterpart, Mr. J. N. Dixit, follow the recent extensive exchange of views between India and the EC Troika during which the business ties between the two had been institutionalised under the

Joint Business Forum. The Forum had been entrusted to comprehensively monitor economic cooperation between India and the EC.

Turkey, which is a member of the Western security alliance NATO, is seeking EC membership. However, Turkey is also a member of the Organisation of Islamic Countries (OIC) [as published] and the Economic Conference (ECO) [as published], which is apparently an economic grouping, including Iran and Pakistan, but which has been joined by the Central Asian Republics of the erstwhile Soviet Union recently.

In fact, India's emphasis on secular and democratic values could well be an attempt to draw Turkey away from the influence of Islamic fundamentalism. During today's talks India nudged Turkey to review its negative perception on alleged human rights violations in Kashmir as evident from its endorsement of the OIC's declared stand at its Dakar session where it had condemned India for violating human rights in the State.

According to a spokesman of the Ministry of External Affairs, India expressed the view that Turkey had 'perhaps not taken all relevant details into account' while defining its stand in the OIC session. It was in this context that Mr. Dixit conveyed India's concerns of Pakistan's interference in Jammu and Kashmir.

In addition, India hoped that in future, Turkey would take what he called "a more objective and realistic view of the real situation on the ground" in forums such as the OIC.

During bilateral discussions, Turkey appeared to be responding positively to Indian concerns and in fact had highlighted that its relations with the Islamic ECO countries were based on a desire to promote economic cooperation. It also highlighted that economic cooperation was the foundation defining its relations with the Central Asian Republics of erstwhile Soviet Union on which it has begun to exercise considerable influence. Moreover, Turkey reinforced its commitment to these values when it expressed its keenness to promote secular and democratic values in these countries.

REGIONAL AFFAIRS

Secret Meeting of Muslim Leaders in Islamabad Reported

92AS0868A New Delhi JANSATTA in Hindi 9 Apr p 4

[Article by Ray Singh: "A Secret Meeting in Islamabad Regarding Central Asia"]

[Text] A secret meeting on Central Asia was held in Islamabad from 17 March to 22 March. Pakistan's Central Asia experts, high-ranking officials of the Foreign Ministry, and officials of Pakistan's intelligence agency, ISI [Inter-Services Intelligence], participated in this meeting. All journalists, politicians, and any others who were suspect in the eyes of ISI were barred from this

meeting. This meeting was opened by Akram Zaki, secretary of Pakistan's Foreign Ministry, and closed with an address by Pakistani Foreign Secretary Shaheryar Khan. Some of the meeting was chaired by ISI and Pakistani Army officers. No official announcement was made about this meeting, and no statement was issued. Given all the secrecy surrounding this meeting, it is clear that the issues discussed are very important and sensitive to Pakistan.

According to some Pakistani sources, not only Pakistan's Central Asian relations were discussed in this meeting, but also issues thought to be a hindrance in the improvement of Pakistan's relations with the Central Asian republics. For example, in this meeting they discussed how to counter India's effort by providing economic assistance and other diplomatic strategies. Pakistani experts believe that when compared to India's resources, Pakistan could lose ground in the eyes of the Central Asian republics. In order to make up for this obstacle, Pakistan will have to start a joint initiative with its old friends, Turkey and Iran. It should be remembered that Turkey, Iran, and Pakistan joined the Baghdad Pact and CENTO [Central Treaty Organization]-type pacts during the 1950's, and that these countries are tied to each other by various economic pacts. The fact is that as soon as the former Soviet Union began to crumble, Pakistan, Turkey, and Iran offered economic cooperation to the Central Asian republics and beat India in this effort. All Central Asian republics welcomed Pakistan's efforts. India could not take such an initiative because it did not have much information about these countries. Perhaps for this reason, a nongovernment delegation was sent to visit these republics at the end of February. This delegation returned after visiting two republics. It collected some published statistics, and by mentioning in its report that India's movie songs and actor Raj Kapur are very popular in these republics, tried to convince the government that India would be very successful in these two Central Asian republics. One member of the delegation went as far as to say that Tajikistan, which is a very backward Central Asian Muslim republic, is opposed to Islamization and that the present leadership of the country would not allow Islamization there. The importance of the report can be estimated by the fact that fundamentalist Islamic groups demanded the resignation of Tajikistan's President Rehman Nabayev and started riots!

Pakistan, Iran, and Turkey also offered bait to the Central Asian republics in that if they cooperated with them, then they would have access to open seas, which would help increase the exports of these republics, as well as the import of ultramodern technology and necessary items. In this context it is important to mention that geographically, Pakistan is joined to Central Asia through Afghanistan and Iran. Meanwhile, the Iranian and Turkish borders join the Central Asian republics. This way, when compared to Pakistan, Iran and Turkey can easily increase their influence in Central Asia. In addition, the Turkish and Persian languages are used in

the Central Asian republics. Therefore, Turkey and Iran are favored much more over Pakistan for influence in this region.

Turkish leaders believe that the leaders of the Central Asian republics would like to adopt the Turkish political, economic, and administrative, model. The reason for this belief is that the Turkish model favors economics over religion. At this time, when the Central Asian republics are getting rid of the Soviet Union and its centralized economic and political system, and when an open-market system is still being implemented, they would prefer to adopt Turkey's eclectic economic system. In addition, if they adopt the Turkish model, the Central Asian republics can reach the European markets via Turkey. Neither the Iranian nor the Pakistani systems would be appropriate for the Central Asian republics, because according to Turkish economists, if these republics join Iran or Pakistan, then they will not be able to modernize themselves.

Both Pakistan and Iran are aware of the Turkish viewpoint. Perhaps that is why both these countries are emphasizing Islam in order to increase their influence and improve their image in Central Asia. Maulvis [Muslim preachers] from both countries have been distributing free copies of the Koran in the newly opened religious schools and mosques of Central Asia. After preaching about Islam, they are trying to prove that only Islam can help the people of Central Asia. Iran and Pakistan are providing all kinds of assistance for the construction of mosques and schools. Saudi Arabia is giving economic aid to Pakistan for this purpose, and Iran is collecting money from Shi'a Muslims all over the world to implement these plans. Iran's leaders believe that if not in the beginning, Iran's influence would be most visible in Central Asia in the long run. Compared to this, Pakistani leaders believe that except for Azerbaijan, where the majority of the people are Shi'as, Pakistan will be more successful in other Central Asian republics, where the majority of the people are Sunnis. Keeping all this in view, we can say that while Pakistan, Iran, and Turkey are working together on the outside, they are actually working against each other. We do not know whether any decision on this issue was made at the secret meeting in Islamabad. Many Pakistan experts believe that Pakistan cannot compete with India in Central Asia on its own.

The fact is that in order to increase its influence in Central Asia, Pakistan must resolve the Afghanistan issue, because it can establish relations with Central Asia only via Afghanistan. Until now, Pakistani leaders had thought that when Soviet military aid to Afghanistan was stopped on 1 January 1991, it would use the mujaheddin living in Peshawar to help its army and establish a pro-Pakistani government in Kabul by dethroning Najibullah. Pakistani leaders failed in their plans. Now Pakistani Prime Minister Nawaz Sharif has started a new phase of accepting the UN proposal of resolving this issue through peaceful talks. Pakistan has welcomed the UN proposal, in which leaders of Afghan parties and

organizations are to be invited for a meeting in Geneva or Vienna. Pakistan has also welcomed the recent statement issued by Afghanistani President Najibullah, in which he has promised to give up power. However, Afghan mujaheddin like Golboddin Hekmatyar, and Rasul Sayaf, who live in Pakistan and are Muslims fundamentalists, want to forcibly remove Najibullah from Kabul and establish a new Islamic government. How Pakistan will appease such fundamentalist Islamic mujahid leaders and attain its goal in Kabul is an important question that was discussed for a whole day at this meeting. We cannot say at this time how far the Pakistani leaders will be able to implement their plans about Afghanistan. However, it is now clear that establishing any pro-Pakistani government in Kabul in the name of Islam will be very difficult. Even Iran and Turkey, Pakistan's friends, do not agree with this goal. Therefore, they will not only oppose such a plan but also make sure that Pakistan fails in such an effort. That is why, during the 17 March secret meeting in Islamabad, special subcommittees of experts were formed, composed of Pakistani military experts and intelligence agency officials to cut off the Iranian and Turkish efforts in Central Asia.

Not only are Iran and Turkey opposed to Pakistan's efforts to establish a puppet government in Kabul, but also 1 million Uzbek and 4 million Tajik people in northern Afghanistan are opposed to the establishment of any pro-Pakistan government in Kabul. These people living in northern Afghanistan have said that if a pro-Pakistan government is established in Kabul, they would rather have Afghanistan divided and have their own independent republic, or they would merge their region with Uzbekistan or Tajikistan. It cannot be said whether the possibility of division of this region was discussed in this secret meeting.

We do not know whether the Pakistani Government benefited from the secret meeting in Islamabad; however, we can say that Pakistani leaders have proved by holding this meeting that they are very serious about the Central Asian republics and are looking for national support to increase Pakistan's influence in this region. Pakistani military experts believe that if they get the facilities to establish military bases in Central Asia, they will be able to successfully compete with India. Mirza Aslam Beg, former Pakistani commander in chief, was the first to publish an article on this principle, and the present military commander in chief, General Jinnah [as published], has also agreed with this idea. Keeping all this in mind, the time has come for India to also take some serious action about the Central Asian republics.

Pakistani Intelligence Men Nabbed Inside Border
92AS0827A *Madras THE HINDU in English*
27 Mar 92 p 1

[Article: "Pak. Intelligence Men Nabbed"; boldface words as published]

[Text] Amritsar, March 26. "Irrefutable" evidence of Pakistan's direct and deep involvement in aiding and

abetting terrorism in Punjab has been secured after the arrest of a detachment of Pakistan's elite Inter-Services Intelligence (ISI) by the Border Security Force [BSF] in the Khem Karan sector of Amritsar district recently.

Authoritative sources told UNI that a four-member team of the ISI, headed by a Major of the Pakistan Army intelligence, was caught deep in the Indian territory near the security fence on March 13. Besides the Major, the team comprised a Captain and a Naib Subedar besides the driver of the jeep, which drove 100 metres deep into Indian territory.

The sources said that but for the nerve exhibited by a BSF inspector, the ISI team might have had slipped back to Pakistan territory which was just a few minutes drive away. The BSF inspector whipped out his revolver the moment he saw the intruders and made them freeze in their tracks till a BSF patrol arrived on the scene.

Lame excuse: The ISI sleuths, who were in civvies and unarmed, tried to wriggle out of the embarrassing situation by pretending they had strayed into the Indian territory while on a hunt. Searches yielded no evidence of their having been out on a hunt. "Why talk of any firearm, the ISI men did not have even a knife to establish their excuse of being out on a hunt," the sources added. ISI identity cards were recovered from them.

The officers had apparently come to the border without informing officers of Pakistan rangers, BSF's counterparts. The ISI officers had taken a risk in moving deep into Indian territory, because of the undulating nature of the terrain in Khem Karan sector, but in this encounter the uneven terrain proved advantageous to the BSF who caught the ISI team unawares.

The sources said the ISI officers had come to reconnoiter an area which was one of the 69 vulnerable points of infiltration along the 553 km long Punjab frontier with Pakistan. A close round-the-clock vigil had been mounted.

Frantic search: It is reliably learnt that Pakistani authorities are frantically looking for the ISI men. This is indicated by an unusual increase in the number of sorties by Pakistani helicopters along the Punjab border. However, the Pakistani Rangers have not yet asked the BSF authorities for a flag meeting.

Sources said that had the intruders been mere hunters, the Rangers would have known it and immediately requested a flag meeting. But it seems the Rangers were neither aware of the movement of the ISI officers, who are a power unto themselves in Pakistan, nor had they sighted them being captured.—UNI

Accord With Bangladesh on Tin Bigha Reached

92AS0826A Madras *THE HINDU* in English
27 Mar 92 p 6

[Article: "Accord With Bangladesh on Tin Bigha"]

[Text] New Delhi, March 26. India and Bangladesh today reached an agreement providing for rights of passage for Bangladesh from June 26 through the Tin Bigha area.

The understanding on the modalities of the implementation of the terms of lease in this regard was arrived at through an exchange of letters, the External Affairs Minister Mr. Madhavsinh Solanki told Parliament in a suo moto statement.

Mr. Solanki said the lease was being implemented after all due processes of law had been completed in India.

He said that in putting into effect the Tin Bigha lease, India was fulfilling an international commitment.

Mr. Solanki said that the terms of the lease had been worked out through the exchange of letters between the Foreign Ministers of the two countries on October 7, 1982.

The Indo-Bangladesh land boundary agreement signed in 1974 had provided for leasing by India to Bangladesh an area of 178 metres by 85 metres near Tin Bigha to enable that country to have access to Dahagram and Angarpota. This was part of a package which allowed India to retain the southern half of south Berubari Union No. 12 and adjacent enclaves and allowed Bangladesh to retain the Dahagram and Angarpota enclaves.

Mr. Solanki said the recent understanding between the two Governments had been worked out within this and other parameters of the 1982 agreement.

The Minister stressed that India remained committed to the full implementation of the 1974 agreement. Necessary steps to expedite progress in this regard were underway.

Mr. Solanki said that before finalising the modalities relating to the Tin Bigha area, the Centre had consulted the West Bengal Government on several occasions and had kept in touch with it. Leaders of political parties were also consulted.

"We have taken into account the concerns and apprehensions expressed in certain quarters regarding the implementation of the 1982 agreement," he said.

Mr. Amar Roy Pradhan (Forward Bloc) and Mr. Guman Mal Lodha (BJP [Bharatiya Janata Party]) were not allowed by the Deputy Speaker Mr. Mallikarjuniah to seek clarifications from Mr. Solanki. The Parliamentary Affairs Minister Mr. Ghulam Nabi Azad and Minister of

State for Sports, and Youth Affairs Miss Mamata Banerji, went to Mr. Roy Pradhan to persuade him to resume his seat. After he failed to draw the Chair's attention, he left the House.—UNI

INTERNAL AFFAIRS

Five Top Jammu, Kashmir Leaders Released

92AS0919A New Delhi *INDIAN EXPRESS* in English
31 Mar 92 p 1

[Text] Srinagar—The Jammu and Kashmir Government on Monday released five top political leaders from long detention in a move considered to be a step towards initiating a political process in the trouble-torn state.

The leaders are Syed Ali Shah Geelani (Jamaat-e-Islami), Prof. Abdul Gani Bhat (Muslim Conference), Maulvi Mohammad Abbas Anari, convener of Muslim United Front (MUF), Qazi Nissar Ahmad (MUF) and Mr Abdul Gani Lone (Peoples Conference). They were arrested soon after the eruption of militancy in Kashmir Valley in early 1990.

The Director-General of the State Police, Mr B.S. Bedi, said orders for the release of detained leaders were passed by the Government on Monday.

According to sources, the leaders rejected the State Government's offer of being released on parole.

It is the first step towards enabling the traditional political leaders of Kashmir to resume normal over ground activity in the Valley in due course of time.

Observers see the possible reactivation of the Valley's traditional political leaders as the "provocation" for some underground organizations to constitute their political wings. The first to do so was the Jammu and Kashmir Liberation Front, which recently named its jailed former commander-in-chief, Mr Yasin Malik, as the party president.

The banned Peoples League followed suit by announcing the merger of its two factions and identifying its political leadership in Shabir Ahmad Shah and Farooq Ahmed Rehmani. The former is in detention and latter is in Pakistan.

However, sources suggest a flurry of political activity is in the offing even as the Center is in no mood for relent on its ongoing drive against the militants.

Minister Makes Statement on Ayodhya Shrine Issue

Text of Statement

92AS0838A Madras *THE HINDU* in English
26 Mar 92 p 6

[Text] The following is the statement made by the Home Minister, Mr S.B. Chavan, in Parliament regarding the Ram Janmabhoomi-Babri Masjid issue.

In October 1991, reports were received indicating that the Uttar Pradesh Government had acquired certain land in the Ram Janmabhoomi-Babri Masjid complex. Immediately a report was called from the State Government and I personally wrote to the Chief Minister on October 15, 1991 drawing his attention to the various repercussions of the reported land acquisition and requesting him to take a fresh look at the desirability of the proposed acquisition keeping in view particularly the pending court cases and the sensitive nature of the controversy. Replies were received from the State Government and the Chief Minister himself. According to these replies, the land had been acquired for the purpose of development of tourism and providing amenities to the pilgrims at Ayodhya. The replies also assured that the State Government has taken the necessary steps for ensuring the safety of the Ram Janmabhoomi-Babri Masjid structure.

With a view to defuse the situation and help find a solution, the Prime Minister convened a meeting of the National Integration Council on November 2, 1991. In the meeting the Chief Minister of Uttar Pradesh gave the following assurances.

All efforts will be made to find an amicable resolution of the issue; Pending a final solution, the Government of Uttar Pradesh will hold itself fully responsible for the protection of the Ram Janmabhoomi-Babri Masjid structure; Orders of the Court in regard to the land acquisition proceedings will be fully implemented; and judgment of the Allahabad High Court in the cases pending before it will not be violated.

These assurances were incorporated in the resolution passed by the National Integration Council [NIC] in this meeting.

A number of writ petitions were filed before the Lucknow Bench of the Allahabad High Court as also before the Supreme Court challenging the notifications for land acquisition issued by the U.P.[Uttar Pradesh] Government. The High Court passed an order on October 25, 1991 in which inter alia the following orders were given.

The State may take possession of the notified land and may make arrangements for the purpose notified in the Notifications but no structure of permanent nature shall be put up thereon although structures of temporary nature may be put up, the taking over of possession shall be subject to further orders of the Court and the acquired land shall not be transferred or alienated.

The Supreme Court also passed an order on November 15, 1991 taking note of the interim order passed by the High Court and also of the assurances given by the Chief Minister of Uttar Pradesh in the meeting of the National Integration Council held on November 2, 1991, which were taken as representation to the Court.

From time to time, the Central Government's concern regarding the security of the Ram Janmabhoomi-Babri Masjid structure was brought to the notice of the U.P.

Chief Minister by me. I wrote to him on November 13, 1991, December 26 and January 10, 1992 drawing his attention inter alia to the need to make adequate security arrangements for the Ram Janmabhoomi-Babri Masjid structure and prevent any damage to it during the religious festivals when large crowds were expected to gather at Ayodhya, and requesting him also to restore some of the barricades which had reportedly been removed in the Ram Janmabhoomi-Babri Masjid complex. The Chief Minister stated in one of his replies that the necessary security steps had been taken keeping in mind the local circumstances.

In February 1992, there were reports that the construction of a wall in the Nagar style of architecture had been commenced by the Uttar Pradesh Government or its agencies in Ayodhya. I had written to the Chief Minister on February 23, 1992 stating that in the context of the tension prevailing on this issue, it may not be quite desirable to add to the apprehensions in the minds of the people and had requested him to reconsider his step so as to avoid such a situation. According to the Chief Minister's reply dated March 10, 1992, the construction of the wall is being undertaken in the context of the security arrangements for the disputed structure. He has stated that the State Government does not think that the construction of the wall will give rise to any apprehensions; on the contrary it will strengthen the security of the disputed structure. As yet, no tension has come to light as a consequence of the construction of this wall.

Immediately after reports were received regarding demolition of certain structures in the Ram Janmabhoomi-Babri Masjid complex and the handing over of some land to the Ram Janmabhoomi Nyas the matter was immediately taken up with the State Government. On March 22, 1992 a wireless message was sent to the Chief Secretary, U.P. asking for a factual report the same night. He was also contacted by officers of the Home Ministry on telephone the same night as well as the next morning, that is, March 23, 1992. The Chief Secretary provided some preliminary information on telephone and assured that a full factual report will follow. Another detailed message was again sent by the Ministry on 23rd March 1992 asking for a comprehensive report. I also sent by fax a letter dated 23rd March 1992 to the Chief Minister. I drew the attention of the Chief Minister to the recent steps taken by the U.P. Government in Ayodhya in the context of the Court orders and the assurances given by him in the NIC Meeting of 2nd November 1991 and requested him to kindly consider whether these steps should not await the final outcome of the Court cases or the achievement of a negotiated settlement of the dispute acceptable to all the parties to the dispute.

In its reply to the Home Ministry's messages of 22nd & 23rd March 1992, the State Government has stated that the possession of the land acquired in October 1991 has been taken by the Tourism Department and compensation had been deposited with the District Magistrate. The Tourism Department had found it necessary to remove certain structures for the purpose of levelling the

ground. This was required in order to take further action for providing tourism facilities. Accordingly, on 22nd March 1992 the Tourism Department has removed some permanent/temporary structures for levelling of the ground. These include Sumitra Bhavan, Gopal Bhavan, a cottage on the wall of the Lomas Ashram and some shops outside the disputed area. That part of the Mandir in the Sakshi Gopal complex in which the deity etc. are situated has been retained as it is. Further, the State Government has stated that according to the District Magistrate's report, the whole operation was completed peacefully.

The State Government has also stated that the Tourism Department has not constructed any permanent structure; the land acquired in October 1991 has not been transferred to anyone and in the context of the Supreme Court's orders the disputed structure is fully secure. It has added that in the action taken by the Tourism Department, the Supreme Court's order of 15-11-1991 and the High Court's interim order of 25-10-1991 have been fully respected.

Regarding the Ramkatha Park project, the State Government has informed that the erstwhile State Government had, until the year 1989, acquired for the U.P. Tourism Department total of 52.90 acres of land. Regarding this land, there is no dispute in the Court and the Bhumiswamis have received compensation in lieu of acquisition. The erstwhile Government had prepared a project for the Ram Katha Park for the purpose of tourism development but this could not be implemented. Ram Janmabhoomi Nyas, New Delhi proposed to the Tourism Department that it will implement the project with its own resources. Accordingly, following a decision by the present U.P. Government, the Tourism Department gave on lease 42.09 acres of land to the Ram Janmabhoomi Nyas for implementation of the project.

The Central Government is of the clear view that the courts' orders must be fully respected by all the parties concerned including the State Government, and nothing should be done which will accentuate communal feelings or the sensitivities that exist in relation to this dispute and make the settlement of the dispute even more difficult. The Central Government feels that every effort should be made to achieve a negotiated settlement of the issue which fully respects the sentiments of both communities involved. If such a settlement cannot be reached, the verdict of the Court should be awaited and fully abided by.

I appeal to all the members to keep in mind the complex and sensitive nature of the Ram Janmabhoomi-Babri Masjid dispute. In all that we say or do, we must avoid emotional outbursts or statements which could further aggravate the problem. On the other hand, we must exhibit calm and restrain when discussing this matter so that an acceptable solution of the problem can be found.

Background to Statement

92AS0838B Madras *THE HINDU* in English
23 Mar 92 p 1

[Text] Lucknow, March 22. The State Government, which on Friday leased out 42 acres of land close to the Ram Janmabhoomi-Babri Masjid in Ayodhya to the VHP [Vishwa Hindu Parishad]—sponsored Ram Janmabhoomi Nyas (Trust) to construct the Ram Katha Park, today demolished a number of residential portions and shops besides many Katha Mandapams situated within the 2-77 acres of land acquired by it a few months ago adjacent to the disputed structure. The only structures left are the temple parts of Sakshi Gopal and Sankat Mochan.

This is another studied step towards construction of the Ram Janmabhoomi temple, although the administration is going ahead with the work in the name of tourism development. The High Court had upheld the acquisition but it is yet to give a final judgment regarding the Government's plans to begin some permanent construction. The demolition exercise to flatten the entire acquired area, apparently planned to be leased to the Ram Janmabhoomi Trust, was stopped half way through, in view of controversies that temples were being demolished. The High Court, in an interim order, had restrained the state Government against any transfer of the acquired land. The Government is awaiting the final order of the Court and in the meanwhile the administration moved to clear the buildings within the acquired land.

The U.P [Uttar Pradesh] Revenue Minister, Mr Brahm Dutt, last night visited the acquired land. He later had consultations with the district officials before returning to Lucknow. Demolitions began this morning in the presence of senior district officials and the VHP-BJP [Vishwa Hindu Parishad-Bharatiya Janata Party] leaders. By afternoon, hundreds of laborers engaged by the administration had completed the job.

Buildings Razed

Among the buildings razed today are Sumitra Bhawan, residential part of Shakshi Gopal temple, Sitakup of Phalahari Baba, Maharshi Lomash Ashram, Abhiram Das Katha Mandapam, the VHP exhibition Mandapam, which contained the model of the proposed Ram Janmabhumi temple, and four prasadam shops within the complex.

Incidentally, even during the Mulayam Singh regime, the VHP Mandapam and Abhiram Das Katha mandapams could not be demolished due to the uproar that followed the sawing of the canopy over the Shilanyas site. The temple model was later shifted to the VHP office in Ayodhya.

Most of those whose residences were razed today had accepted a compensation earlier and collected their belongings before clearing out. The Mahant of Sakshi Gopal temple reportedly promised to shift his tenement

to facilitate construction of the Ram temple later. Today's move made it clear that the State Government, under pressure from its rank and file and neo converts, would soon find a way out to allow commencement of the construction close to the Shilanyas site, which it has already acquired.

Marching Order for Priest

The administration also made a significant multi-pronged move in Ayodhya. The Chief Priest of the Ram Janmabhumi, Lal Das Baba, who had been gunning for the VHP, was given the marching orders along with his helpers. Lal Das, a controversial man with a criminal police record was sought to be removed by the district administration when Mr Mulayam Singh was in power, but managed to survive.

Now after the recent demise of the Receiver, managing worship of the idol of Ramlala under the domes of the disputed structure, the District Magistrate was asked by the Court to manage the arrangements of daily rituals and puja. He, in turn vested the authority to an ADM [Assistant? District Magistrate], Mr Umesh Tiwari, who threw out Lal Das following his clash with security personnel posted within the complex. Lal has been replaced by Acharya Brajendra, a local scholar and saint, considered close to the VHP. The detractors of the VHP charge that the organization has now managed to secure another foothold within the complex.

The beginning of the raising of the security wall around the acquired land, whose design and decorative patterns are in keeping with the Nagar style of architecture, is considered another milestone towards construction of the proposed temple. Since the wall for the present is being constructed only on the land outside the disputed area, the detractors of the VHP could do little.

Most significant is, however, the transfer of 42 acres to the Ram Janmabhoomi Nyas of the VHP to construct the prestigious Ram Katha Park in Ayodhya, which shall be a major tourist attraction. The land incidentally was acquired by the Congress Government, when Mr N.D. Tiwari was the State's Chief Minister, to construct the park close to the disputed structure. A committee was also constituted, but apparently none of the members was clear about the Government's plan. The project was to be financed by the State Government.

However, the BJP Government has decided to lease it out to the Ram Janmabhoomi Nyas, which would construct it by raising donations. It would have a huge Ayodhya Palace, a Lanka Palace, Panchavati forest, Chitrakut and many other landmarks of the epic.

Rao Speaks on Election as Party Chief*92AS0856A Madras THE HINDU in English 28 Feb 92
p 9*

[Text] New Delhi, 27 February: The Prime Minister, Mr. P.V. Narasimha Rao, was today formally "elected" president of the Congress(I), ending a 20-year spell of nominated leadership in the party. His election was uncontested.

The Union Agriculture Minister, Mr. Balram Jakhar, who was Returning Officer, made the announcement of Mr. Rao's election at the party headquarters. Earlier Mr. Jakhar told Mr. Rao that nomination papers for the post had not been filed for any other leader. The Union Minister, Mr. Arjun Singh, Mr. Sitaram Kesri, and Ghulam Nabi Azad, were present when Mr. Rao accepted the post. Mr. Jakhar praised Mr. Rao for completing the process (of organisational polls) begun by Rajiv Gandhi.

Fifty seven nomination papers, each signed by ten PCC(I) [Pradesh Congress Committee] members from different States, were submitted in support of Mr. Rao's candidature. Mr. Jakhar said three of these were not found to be in order. No nominations were filed for any other candidate.

Later, in a brief acceptance speech before assembled party colleagues, Mr. Rao said the completion of organisation elections after the interim "aberration" would bring new life, enthusiasm and vigour within the party. This was important too because the country's "unity" was connected with "unity and strength" of the Congress (I). This, he noted, had been amply demonstrated.

He said several attempts had been made in the last 20 years to hold organisational polls. But, on one "pretext" or another, or sometimes for genuine unforeseen difficulties, the effort had to be abandoned.

"Obstructions" had been placed in the path of organisational elections this time too, but the party did not give up, Mr. Rao said. Consequently, a "fully elected Congress" organisation had emerged after 20 years. This would confer "legitimacy" on the party machine, and the country would take note, he said.

Sometimes, he said, the "consensus" approach had to be adopted instead of elections, but this too was legitimate. There were all sorts of practical difficulties. But when these cropped up, the process was not abandoned, and solutions were speedily sought. If, for instance, one Returning Officer could not enter an area, others were sent to relieve him. Elections in "one or two States" still remain to be concluded. He hoped in three or four days these too would be held.

Mr. Rao said that many in the party had thought that election would not be possible in spite of the start. For this reason, he said, some Congress workers "did not prepare" for the poll. This was another admission that the organisational poll covering 32 State units was hardly

perfect. Mr. Rao said he was keen to ensure "predictability" about party elections every two years in the future.

The atmosphere at the AICC(I) [All India Congress Committee-I] office was quiet. One or two feeble attempts at "zindabad" slogans drew no response from those assembled.

Most of the congress leaders present carried garlands or a single rose to offer the new president on his election. Among those present was Mr. Rajeshwara Rao, a son of the Prime Minister. Mr. Rao left within minutes of the function being over. Entry had been carefully restricted at the gates. Missing altogether were the Youth Congress (I) and Seva Dal brigades.

Mr. Rao's election as the Congress(I) president coincides with his minority Government inching to less than half a dozen short of majority following the result of the Lok Sabha poll in Punjab. This will give the Prime Minister a freedom of manoeuvre he and his party have thus far lacked.

Paper Reports, Comments on Sharif Interview**Report on Interview***92AS0922A Madras THE HINDU in English 3 Apr 92
p 1*

[Article by Malini Parthasarathy: "Nawaz Sharif Calls for Overhauling of Indo-Pak. Attitudes"; quotation marks as published]

[Text] Islamabad, April 2. The Prime Minister of Pakistan said here today that in order to break the 40-year stalemate in relations between India and Pakistan, there should be "an overhauling of thoughts and policies" in the bilateral relationship. "The past has not been very good. We need to now move away from the past."

In an exclusive interview to this newspaper at his residence in Islamabad, the Prime Minister of Pakistan said that both India and Pakistan ought to "draw lessons" from what had happened elsewhere with the ending of the Cold War. "If these countries can resolve their differences through negotiations, why cannot India and Pakistan?" "We need to sit down and clear our minds," the Pakistan Prime Minister said, "and with the intention of having to get over these problems through bilateral negotiations." He expressed the view that India and Pakistan had not been able to develop economically because of the tensions in the relationship. "It's a reality that there are differences but they have been there for the last 44 years ever since Partition. Both countries need to develop economically and that we have not been able to is primarily because of the tensions which have been there all along. If we do not realise the magnitude of the problem even today, I think we will find that we are not going to move farther."

Describing the Prime Minister, Mr. P.V. Narasimha Rao, as a "very good man, a man who has understanding

and a man who really wants to move ahead," Mr. Nawaz Sharif said that he could see that Mr. Narasimha Rao had "the urge to resolve the differences." That 'urge', he said, "is also there on our side—so if the urge is there on both sides, why cannot we make the effort?"

On the issues of nuclear policy, the Prime Minister of Pakistan made what appeared to be a significant overture to India. Asked whether Pakistan could consider a discussion on nuclear and non-nuclear confidence building measures before entering into a discussion on nuclear non-proliferation—a subject which still remained within a discriminatory framework, whether it be the NPT [Nonproliferation Treaty] or the five-nation initiative Mr. Nawaz Sharif said; "I am open to any offers that are made to me from the Indian side, absolutely open. I am prepared to discuss anything along these lines. I am flexible."

While the Prime Minister of Pakistan spoke of a need to "overhaul thoughts and policies" in the relationship, in what would seem a contradictory signal in India, he reiterated that Kashmir was "a stumbling block." It was, he said, "the core issue, the key issue and must be resolved before anything else happens." Only after the Kashmir issue was resolved, could the other issues which he described as 'minor' be resolved.

Asked whether there had been any ground covered on Kashmir in his discussions with the Prime Minister, Mr. Narasimha Rao, Mr. Sharif said: "We met three times and each time there has been more progress. Progress in the sense that we have discussed the matter and both sides now feel that this matter has to be resolved." He also said that India had "for the first time given the impression that it really wants to solve these problems." This, he said was "a major development." In reply to a question as to why Pakistan would not work within the framework of the Shimla Agreement which did not preclude a substantive discussion on Kashmir, especially if India might be more receptive to a discussion under the Shimla Agreement, Mr. Sharif said: "All these things are taken into consideration when we discuss with each other."

On the JKLF's [Jammu Kashmir Liberation Front] stance that independence be included as an option in the plebiscite that Pakistan has been demanding in Kashmir, although Mr. Nawaz Sharif had been reported earlier in the Pakistani press as indirectly endorsing the 'third option,' today he ruled that out, saying that the UN resolution spoke only of accession to either India or Pakistan and hence the Kashmiris would have to decide whether to "join India or Pakistan."

In reply to a question as to whether anything could be done to dispel India's apprehensions that there was active assistance to insurgency in Kashmir and Punjab from across the border, Mr. Nawaz Sharif said: "We have tried to resolve apprehensions expressed by India over our alleged assistance to Punjab. We have absolutely nothing to gain from interfering in the situation in

Punjab which is an internal problem of India." Some measures were agreed on two years ago on preventing illegal traffic across the border in Punjab. "I think we should sit together to see if we can implement those decisions and evolve new measures if there is a need."

The Prime Minister of Pakistan was cautious in his response to a question as to whether India and Pakistan could have a joint approach as developing countries in the context of what might seem an effort by the Western powers to impose their will on developing countries, as reflected in the pressure on Libya politically and for the GATT negotiations in the economic arena. "It is certainly the need of the hour but we are not even able to resolve the differences between our countries. I think we should resolve our own differences and only then we can work jointly for this objective."

On Pakistan's relationship with the United States after the collapse of the Cold War and what might be a change in Pakistan's strategic value to the United States, Mr. Sharif said that given Pakistan's location and proximity to the Gulf, it "could play an important role in bringing peace, stability and prosperity to the region." The United States, he said, has cooperated closely with Pakistan in the past to achieve these objectives and was continuing to evince a keen interest in this cooperation.

Asked whether he was optimistic about the future of political democracy in Pakistan and whether he was confident that the decision of the political institutions would prevail over other policy making structures such as the army or the ISI, Mr. Sharif said, "We are a fully functional democracy... The responsibility of formulating and implementing policy, both internal and external, rests with the elected representatives of the people and they are performing this role without any interference or obstruction.... As regards the future of democracy in Pakistan, I have great hopes. The democratic institutions are steadily deepening their roots."

Analyst on Interview

92AS0922B Madras THE HINDU in English 2 Apr 92
p 1

[Article by K. K. Katyal: "A Chance for Confidence Building"; boldface words as published]

[Text] New Delhi, April 7. Given the adversarial relationship of India and Pakistan, it is hard to devise ways to reverse the shrill rhetoric in the bilateral field, harder still to evolve measures for improving the ties. Any idea, howsoever tentative, any sentiment, howsoever vague, indicating a flexibility of approach, therefore needs to be welcomed and built upon. From time to time, India has suggested specific confidence-building measures but there has been little advance in translating them into practice.

In a recent exclusive interview with this paper, the Pakistan Prime Minister, Mr. Nawaz Sharif, was asked

about his Government's approach to confidence-building efforts, to start with in the non-nuclear field. He replied: "I am open to any offers that are made to me from the Indian side, absolutely open. I am prepared to discuss anything on these lines. I am flexible, we are flexible. We don't want to adopt a rigid approach like India."

Considering New Delhi's anxiety to explore all possible avenues to promote understanding, even as major problems defy resolution, Mr. Nawaz Sharif's comments could be the starting point for renewing efforts in an area where hope and despair have alternated for nearly two years. True, the ongoing dialogue at the Foreign Secretary-level has not been interrupted—their next meeting is expected in early May in New Delhi—but the goal of confidence-building has remained as distant as ever before. A fresh attempt will, therefore, be worth its while.

India, there are good reasons to believe, would like the thread to be picked up from where it was left after a comprehensive package was sent to Pakistan in May 1990. The External Affairs Minister of the day, Mr. I.K. Gujral, with the approval of the Cabinet (headed by Mr. V.P. Singh) took the initiative when the bilateral relations were none too happy. It was a bold step, intended to keep in check the tension that appeared to take an ominous form, apart from serving the long-term objective of imparting stability to the bilateral ties. Unfortunately, the package became a casualty of mistrust and distrust. Pakistan came out with counter-proposals, not quite in tune with the spirit of the Indian move—and, after a while, the interest in it petered out in both the countries.

The package envisaged 1) sharing of information by the two sides on military exercises in their respective territories; 2) sharing of information on field firings (not the routine cases but the shootings which have the potential of causing concern to the other side); 3) communication between commanders in identified sectors, at levels lower than that of the Directors-General of Military Operations, who were already in touch on the hotline; 4) joint patrolling on the border; 5) steps to prevent violation of the air space by military aircraft and 6) exchange of armed forces delegations so as to create confidence in regard to military activities in each other's territory.

The second portion of the package was designed to achieve the goal, mentioned in the Shimla Agreement—that the two countries shall prevent the organisation, assistance or encouragement of any act detrimental to the maintenance of peaceful and harmonious relations. It included steps, applicable to both the sides, to counter acts of terrorism, closing of training camps, non-interference in each other's internal affairs. It required the two countries to honour the 1989 agreement on the exchange of fugitives. Then there was a reiteration of the commitments under the Shimla Agreement to respect the Line of Actual Control in Jammu and Kashmir and to refrain from hostile propaganda. Other suggestions included meetings of the sub-commissions and the Joint

Commission. As a gesture of good-will, India took a unilateral step—of withdrawing its armoured formation from a forward area.

There are differences of opinion in the two countries on why the package did not click. Two of its items—advance warning on military exercises and steps to prevent violation of air space—were developed into agreements but the rest of it was forgotten. It could be revived—and expanded in the light of the latest situation. The foreign secretaries could give primacy to this task.

The discussions on removing specific irritants relating to Tulbul dam on the Chenab, the delimitation of the maritime boundary off the Kutch region and Siachen could be imparted greater urgency than has been the case so far.

As regards the Tulbul dam, India had suggested March 25 and 26 for the next round of talks but Pakistan preferred a date after Id. This and the maritime boundary issue are likely to be taken up by the concerned officials by the end of this month. No date has been fixed for the Siachen discussion, but some concrete ideas have been mooted to put it back on the rails.

The prospects for an agreed approach by India and Pakistan on chemical weapons are reasonably bright. Their experts are likely to meet by the end of April, to follow up the last phase of talks that ended in October 1991.

If there is no unexpected hitch, it should be possible for them to either enter into a bilateral agreement, against the production, development and deployment of chemical weapons or to finalise a joint declaration on the subject even before the international conventions take a final shape.

Toughest issues: Kashmir and the nuclear issues are the toughest problems. Pakistan, like India, was agreeable to step-by-step approach but the current postures are different.

The nuclear issues is wider in sweep, covering as does the United States and other nations. Washington has been pressing India to either accede to the nuclear non-proliferation treaty [NPT] or accept a regional framework for a nuclear-free South Asia.

To achieve the second goal, the United States has thrown its weight behind the proposal for a five-nation conference.

None of these suggestions is acceptable to India—it regards the NPT discriminatory and a nuclear-free zone pointless because of its inadequacy to counter the global reach of nuclear weapons.

On this issue, the United States is closer to Pakistan than to India—even though Washington suspended its aid to Islamabad because of the evidence of the latter's progress in developing a nuclear device.

The purpose in explaining this point at length is to show that the solution of the nuclear issue is a time-consuming process. India and Pakistan should, therefore, attempt whatever is feasible. They have already committed themselves not to attack each other's nuclear facilities, the lists of which were exchanged on Jan. 1. They could attempt limited confidence-building measures in the nuclear field—like agreeing to non-first-use of nuclear devices—and proceed towards the bigger goal later.

Stumbling block: According to Mr. Nawaz Sharif, Kashmir is the stumbling block. He wants the issue to be settled through the UN resolutions. India, too, feels strongly about it because of systematic, organised abetment of terrorism in Jammu and Kashmir and Punjab by Pakistani agencies. Pakistan is keen on talks on the final settlement of the Kashmir problem—in its opinion, this course is mandated by the Shimla Agreement.

According to New Delhi, talks will be useful only if the climate is conducive—in other words, if there is an end to the trans-border assistance to terrorists in India. New Delhi's feelings are understandable—but there will be no harm in talks with Pakistan. That opportunity could be utilised for making a case for non-interference in India's internal affairs.

Mr. Nawaz Sharif's plea for an overhauling of thoughts and policies should be welcomed here, notwithstanding the earlier experience—the discouraging follow-up of the Pakistan Foreign Secretary, Mr. Shaharyar Khan's mission to New Delhi as the special envoy of his Prime Minister, and Mr. Sharif's assurances to his counterpart, Mr. P.V. Narasimha Rao at Davos.

Congress-I Wins Test of Strength in Parliament

92AS0860A *Madras THE HINDU in English*
10 Mar 92 p 1

[Article by K.K. Katyal; italicized words as published]

[Text] New Delhi, 9 March: The Narasimha Rao Government today won, by convincing margins, the crucial round of voting in the Lok Sabha on the issues arising from the President's address. The first division gave it a lead of 52—262 in favour of the Government, 210, against with five abstentions—and with that it overcame what got projected as a threat to its survival.

Many Opposition Members Absent

The much-awaited test of strength came in the form of voting on the amendments to the address—relating to price rise and unemployment—backed by the major sections of the Opposition, the National Front-Left alliance and the BJP [Bharatiya Janata Party]. The Government's victory became possible because of the large scale absenteeism in these parties and the Congress(I)'s success in mobilising fully its members and those of its allies. The Government's tally exceeded the total strength of its supporters by two, while the main Opposition forces suffered an erosion of 45. The Chandra

Shekhar group (he himself was not present in the House), the expelled Janata Dal leader, Mr. Ajit Singh and his three unattached colleagues, and the BSP [Bahujan Samaj Party] had announced, prior to the voting, their decision not to take part in it. What tilted the balance against the Opposition was the unannounced—and unexplained—absence of a sizeable number from the National Front, if not the BJP.

The first division—on the amendment by Mr. Prem Dhumal (BJP) on the price rise and unemployment—set the pattern. The subsequent divisions on the issues raised by the Left parties but not supported by the BJP, showed bigger leads for the Government. On Mr. Somnath Chatterjee's (CPI-M) [Communist Party of India-Marxist] amendment on the right to work the tally was 262 against 97, on Mr. Indrajit Gupta's (CPI) [Communist Party of India] move seeking disapproval of the World Bank conditionalities 258 against 102, and on Mr. Chitta Basu's (FB) [Forward Block] amendment on economic sovereignty 263 against 104.

9 TD [Telugu Desam] Members Stay Away

The National Front cut a sorry figure because the largest number of absentees were from its ranks. The Telugu Desam Party could muster only four out of 13—nine, including its leader, Mr. B. Vijayakumar Raju, stayed away. In all, seven of the TDP members were in Delhi (including Mr. Raju). Of the remaining six, two had secured the party's permission for their inability (for personal reasons) to attend today's sitting.

The Jharkhand Mukti Morcha turned out to be another weak link of the National Front—only two of its five members were present. The 55-strong Janata Dal too could not muster its full strength as, according to one account, four members did not obey the party whip. If they were, as was being mentioned, the sympathisers of Mr. Ajit Singh, the party leadership has a cause to worry.

According to the BJP leader, Mr. L.K. Advani's interpretation of the voting result, the minority Congress(I) Government managed a *de facto* majority. He found it in keeping with his calculations. He put the number of BJP members taking part in the division of 118 out of 119 (one could not come because of a mishap).

'Index of National Mood'

Overjoyed and visibly relieved, the Congress(I) parliamentary party managers were quick to project the tally as an index of the national mood in favour of the Prime Minister, Mr. P.V. Narasimha Rao, and his policies.

Though the outcome of the vote was not much in doubt, the suspense remained—and heightened as the time for the division approached. The Congress(I) whips left nothing to chance. Their efforts and Mr. Narasimha Rao's warning, at a Cabinet meeting last week—that in the case of an adverse vote he would straightaway drive to Rashtrapati Bhavan—ensured total attendance of the Congress(I) members. The threat of the Government's

resignation and the prospects of another poll—third in less than 30 months—worked and the Congress(I) MPs [members of Parliament] realised the serious implications of their absence. The threat also proved effective with some in the Opposition but led to the opposite phenomenon—they stayed away, to deflate the Opposition tally. Both these factors contributed to the Government's victory.

While the result of the division could be predicted, the Government's lead could not be. The size of the margin was considered important because of the pointers, to be thrown by it. Had it been very narrow, today's victory would have been ascribed solely to the support extended to the Government by the tiny groups. As it turned out, the Congress(I) by itself—241 (one absent for unavoidable reasons)—outnumbered the Opposition challengers.

To some extent, the Rao Government's detractors were themselves to blame for their discomfiture. They had carried their campaign against the Government to a high pitch, and, as a result, the vote got projected as a major threat to its survival. The Congress(I) treated it as such, while the Opposition remained half-hearted and divided. The National Front-Left combine was the first to use the opportunity of voting on the President's address for a massive indictment of the Government. Not to be left behind, the BJP decided to press its amendments, even though it was committed not to go to the extreme limit of associating itself with a move aimed at voting out the Government. It was hustled into a posture it did not want to take as the Front-Left alliance decided to back the BJP's amendments.

The voting was preceded by a strong defence of the Government's policies by the Prime Minister. On the whole, he was conciliatory and kept his arguments (barring the defence of the policies) on a low key. He traced his efforts, from the very start of his term in July last year to seek national consensus on the pressing issues facing the country—not because of the compulsions of number but because of his conviction (that national issues could be resolved with the support of all parties). He pleaded with his critics to keep an open mind while considering various issues, offered to show them official files to prove that the economic mess needed the remedial steps taken by him, appealed to them "with folded hands" to find out in their respective constituencies the state of the revamped public distribution system.

What pained him were the wrong signals conveyed by the debate on the economic issues and the manner in which it was conducted, to the outside world. He was sad that it meant a set-back to the efforts by the Government (to attract foreign capital, to restore its credibility with foreign entrepreneurs).

The Opposition emerged bruised thanks to its half-baked strategy, the failure to work out floor coordination between the major groups, the identity crisis in the BJP (it was torn between two conflicting pulls—on the one hand, to project itself as a credible Opposition force and,

on the other, not to go to the extent of pulling down the Government). In the Janata Dal camp, the rank and file was lukewarm to a high-pitch confrontation. This was evident at this morning's meeting of its parliamentary group, where the leaders had to do a lot of defensive explaining to refute the charge of collaboration with the BJP.

The Congress(I) got the much-needed boost, and Mr. Rao another shot in the arm at a time when the mood in the parliamentary party had turned in his favour. He will now have to attend to the tough task of re-establishing abroad the credibility of his claim—that his policies have a good measure of support in the country. He was hopeful he could do that.

Papers Report Congress(I) Plenum Proceedings

Rao to Subjects Committee

92AS0921A Madras THE HINDU in English 16 Apr 92
p 9

[Article: "PM Open To Suggestions on Reforms"]

[Text] Tirupati, April 15. The Prime Minister [PM], Mr. P.V. Narasimha Rao, has said that he has an open mind, and will accept an alternative model for economic reform. He said food subsidies would have to continue and the budget funds for primary education and health should be increased. Any wastage in a Government department should be cut down mercilessly, he added.

Mr. Narasimha Rao made a 40 minute intervention in the debate in the subjects committee of the Congress(I) plenary here at 8-15 p.m. tonight, summing up the deliberations, and asserting that the debate was intense.

He said he could not understand how building a temple or a mosque could become an election issue. Could the question whether it was day or night become a subject for polls and decided by means of vote at the delegates session, he asked. If there was a land dispute between two persons, could this be resolved through an election, instead of in a court of law, he asked.

Elections should be conducted according to a procedure laid down in the Constitution, and the issues posed in an election should therefore help to improve the secular character of the Constitution.

"Politics should become more politicised. People say every issue is being politicised, but I say there is need for more politicisation. Politics is somehow sidelined by political parties and that is the reason other issues get politicised. If political parties cannot find the right political issues for elections, I suggest that they get out of politics and take to something else," Mr. Narasimha Rao said.

Mr. Narasimha Rao said that when he went to the United States as a Minister, someone asked him why did India produce cars when they could as well buy them

from the United States. To this his answer was why does United States produce children, when they could get the children from India where they are in surplus. "Of course this was said in a lighter vein and need not be taken as a quote, but this represents our views on surpluses." Mr. Narasimha Rao was surprised that there is a demand for a Rs.[rupees]5,000 crore power project or a fertilizer project, but there is no demand that the allocation for education should be increased. If there is a budgetary cut, then the education department got the first cut, "with the result that India has the largest illiterate population in the World, some kind of an achievement."

The Prime Minister said that India is a mature democracy and people were very intelligent, and when Congressmen developed a "swollen head," they were thrown out of power in the elections and chance given to some other party. When the record of general elections from 1952 were studied, it would be seen that the Congress(I) had been defeated in at least one state in every election.

Mr. Narasimha Rao said that he studied the criticism of the economic policy carefully, and he welcomed such a criticism. But was there an alternative path for economic development, he asked. There may be an alternative path, but was there a viable alternative, and if it were so, he was prepared to accept it, he declared.

The Prime Minister referred to an event that took place at Tirupati in the 1972 general election. Tirupati was a seat of Vishistadwaita philosophy, but in that election they chose a candidate, a student leader (a reference to Mr. Vijayasikhamani), but there was a furore because the local leaders asked what cheek do you have to field a Christian candidate from Tirupati; but even so, the candidate won with a 20,000 vote margin. "Those days we were not looking at the caste and religion of candidates, though these days we do it," he said.

The Subjects Committee sessions were adjourned tonight after the delegates session adopted the resolutions on political, economic and foreign affairs. The Prime Minister spoke briefly on foreign affairs, saying they had difficulty in dealing with the republics of the erstwhile Soviet Union. "Previously we used to go to Moscow and complete our work, but now we have to go to 15 State capitals, and sometimes we do not know whom to deal with. But I am sure these things will be resolved soon," he added.

The Prime Minister prefaced his remarks with a request to Mr. Jitendra Prasad to go to the polling booth set up for conducting the election to elect ten people to the Congress(I) Working Committee. "Prof. N.G. Ranga was very angry, saying that the polling booth does not have any ventilation, that it was a small dinghy room, and an election booth should have been better organised. I agree with him. We wanted to have these elections conducted in a place where there is no stampede, and I am sure that some windows or doors could be opened, and there is more ventilation in the booth. I appeal to Mr. Jitendra

Prasad to take some volunteers to organise this thing." The elections to the ten seats were first announced to begin at 7 p.m., but they could not commence till 8-30 p.m. because there was a delay in getting the ballot paper with about 50 candidates' names cyclostyled and distributed to the AICC members.

The plenary session will take place tomorrow and the Prime Minister is to deliver his Presidential address at this session.

Manmohan to Subjects Committee

92AS0921B Madras THE HINDU in English 16 Apr 92
p 1

[Article: "It Is Congress Policy: Manmohan"; boldface words as published]

[Text] Rajiv Nagar, April 15. The Union Finance Minister, Dr. Manmohan Singh, today asserted at the subjects committee meeting of the 79th plenary session of the Congress that the new economic policy of the Narasimha Rao Government "is in full accordance with the objectives of the Congress and there has been no deviation at all."

Intervening in the debate on the draft economic policy, moved by Mr. Pranab Mukherjee, Deputy Chairman of the Planning Commission, Dr. Singh put up a spirited defence of the policy by which he said, "We have averted a national disaster."

Content-wise, there was hardly anything new in what Dr. Singh said, as he has elucidated the policy and its philosophy many times. Today, his effort was to establish that it was very much a Congress policy, in a subtle attempt to refute criticism that it marked a deviation from the policies enunciated and followed by Nehru, Indira Gandhi and Rajiv Gandhi.

Guiding principle: The most fundamental guiding principle had been that the Congress should work steadfastly for the removal of poverty, he said. "Gandhiji has said that our task will not be completed if a man or woman in this country has tears in his or her eyes. Since then Panditji, Indiraji and Rajivji have been trying to fulfil the Congress objective of removing poverty. At the same time, it is also a fact that today there are tears in too many eyes," which meant the task remained unfinished. Hence the need for a programme that would strengthen the economy to launch poverty-alleviation and unemployment-removing programmes.

It had always been the Congress policy to ensure self-reliance but that did not mean we should isolate ourselves from the rest of the world. In the words of Nehru, self-reliance meant taking full advantage of modern science and technology to develop our potential. "We have, no doubt, made giant strides in this area but there is also lot of unfinished work."

Major flaw: A major flaw was the failure to check the growth of unemployment. If this situation was to be

changed, there would be economic growth at such a rate that in five or ten years "we can feel satisfied that there is no unemployment." The Planning Commission had calculated if this result was to be achieved, "we must create in the next five to ten years one hundred million jobs. This is not an easy task. For this we need a strong economy, a strong fiscal system and a strong State performance.

"I do not claim that during the last 10 months everything has gone smoothly. But I am sure that now the situation is such that we can look forward with hope. The foreign exchange position so much better. The position we inherited was hardly sufficient for two weeks. We could not import fertilizers or petroleum products such as diesel and kerosene.

"That situation has changed and that would not have been possible but for the dynamic and bold leadership of the Prime Minister and his decision to go ahead with the new policy. The foreign exchange reserve now is around Rs. 15,000 crores. This has given us strength. But the fact is that the basic problems of our economy still remain."

Prices: On the price front, the trends were positive. Inflation had slowed down and "I am sure by next year, inflation will be very much under control. But, Dr. Singh said, it should be appreciated that this inflation was not the result of the New Economic Policy." On the other hand, if we had not taken this policy inflation would have gone up at a frightening rate.

Referring to criticism that the new policy had not taken care of the poor, Dr. Singh maintained that if inflation was controlled, that itself was a big service to the poor.

Rebutted: He also rebutted the charge that the small sector had been neglected. While announcing the new economic policy, the Government had also announced that its efforts would be to promote the small and cottage industries and village industries so that wealth could be created in the rural areas.

International Affairs Resolution Reported

92AS0921C Madras *THE HINDU* in English 16 Apr 92
p 6

[Article: "Congress Sees 'Disquieting Trends' in World Economic Order"; quotation marks; boldface words as published]

[Text] Rajiv Nagar (Tirupati), April 15. Ending the "quest for dominance" in the emerging pattern of international relations in the post-Soviet world is the central theme of the draft international resolution presented by the Congress leadership for endorsement at its 79th plenary session here today.

Two propositions flowing from it have been made with clarity: that the party considers it incompatible with India's vision of a nuclear weapons-free world that the powers already possessing nuclear weapons should advocate an order in which such weapons continue to exist

"but only in their hands," and the "disquieting trends" indicating the imposition of non-economic conditions on economic aid and matters of trade.

If the former is suggestive of the party's resolve not to succumb to U.S. pressure on signing the nuclear non-proliferation treaty (NPT), and as a derivative the exercise of caution on the United States and Pakistani proposal for a five-power regional conference on the issue, the latter expresses the anxieties of a developing State over threats of arm-twisting if the Dunkel proposals are not accepted.

'No compromise': While India is always willing "to reason together" to structure a fair and equitable international trade regime, the draft says "there can be no compromise on our national interests which should be safeguarded in conformity with the principles of fairplay and equality and consistent with our legitimate developmental aspirations."

With doctrines such as those of nuclear deterrence and mutual assured destruction "at last" coming for "rational review" by the international community, "the Congress document thinks this is the moment to build a consensus of a New World Order based on the foundations laid by Nehru, Indira Gandhi and Rajiv."

In the action plan presented by the late Rajiv Gandhi at the special UN session on disarmament in 1988, the Congress sees the "essence" of its vision for a new world order. In the party's view, the draft notes, "it is also essential that the New World Order be based on a true democracy of nations, with no pressure on anyone."

Interestingly, perseverance with "non-alignment" as a goal, as used to be the case in the past, is not made explicit. But the draft says that before non-alignment came into existence India pursued a policy of "essential autonomy in decision-making in external relations." "This is the essence of non-alignment," the draft observes, and says it is even more important now to "preserve our sovereignty" when the power blocs exist no longer.

It also notes that the re-invigorated United Nations today offers hope and opportunity for an effective world democracy of nations, an expression similar to the one used in the party's "Quit India Resolution" of 1942. The draft also argues for strengthening the "representative character" of the principal bodies of the UN including the Security Council.

Commitment to democracy: Having said this, the draft resolution observes that India's world view has always been characterised by consistency with a "capacity for change and improvement." In this context it is pointed out that India and the United States share a commitment to the democratic ideal, to freedom and dignity of the individual, and to equal opportunity to all.

"This affinity that unites our peoples can give definition to practical areas of cooperation between the two countries.

It also says that the "sound premise" of the Indo-Soviet relations offers an "enduring basis for friendship" with the former Soviet republics. The wording is interesting because the draft resolution also refers to the failure of its (old Soviet bloc's) pattern of political and economic organisation."

Another noteworthy feature of the draft is that while it can speak of "enduring basis of friendship" in the case even of the former Soviet republics, in respect of ties with the United States it does not venture beyond giving "definition to practical areas of cooperation between the two countries."

On the debatable question of establishing full diplomatic relations with Israel, the Congress(I) document appears to have made modification to the Government's known policy in suggesting that "the further development of India's relations with Israel must proceed hand in hand with the peace process."

The justification for establishing full diplomatic relations with that country is that it will provide India the chance to play an important role in the resolution of the West Asia question.

'Pak. stoking terrorism': In the case of Pakistan, the traditional stridency is not visible. The draft also notes that the "new spirit" in ties with that country infused by the efforts of the late Rajiv Gandhi "has diminished owing to Pakistan's continuing involvement in stoking terrorism in this country."

"Yet our efforts to bring Pakistan round to the path of peace and mutually beneficial cooperation must continue," the document observes.

The reference to China is innocuous, saying only that there has been "a good beginning" in the matter of settling of the boundary dispute after the breakthrough made in relations between the two countries after Rajiv Gandhi's visit to Beijing in 1988.

The international draft document welcomes the "substantial improvement" in ties with Nepal "since the advent of democracy in that country" and notes with satisfaction the "growing interaction" in diverse fields with South Asian neighbours through high-level contacts, underscoring "India's consistent policy of friendship, goodneighbourliness and mutually beneficial cooperation" with Bangladesh, Bhutan, the Maldives and Sri Lanka.

"The instrumentality of SAARC [South Asian Association for Regional Cooperation]," the draft states, "provides the ready means of uniting the countries of South Asia in the most important dimension of all—the human dimension—through increased people-to-people contacts and through intensified cooperation in matters pertaining to development."

Concern over Myanmar situation: But the Congress has expressed "concern" over the situation in Myanmar and has deplored the continued incarceration of Aung San Suu Kyi and her close associates "who have secured the support of the people of Myanmar but continued to be denied their right to return to democracy."

In the overall context of Asia the Congress has noted "the resurgence of an Asia spirit and identity which can be a vital factor in international affairs."

The party has welcomed the "renewed effort" of developing countries to "work together in a common cause" through Group-15. It has welcomed the recent developments in South Africa and endorsed the positions of Mr. Nelson Mandela. The draft also says the Congress has "throughout its history paid particular attention to the Indian communities overseas."

Report on Economic Resolution

92AS0921D Madras THE HINDU in English 15 Apr 92
p 9

[Article: "Economic Policies Reiterated"]

[Text] Rajivnagar (Tirupati), April 14. "Self-reliance means a self-confident economy." This can only be achieved through "change with continuity."

This clear indication to re-assert the economic policies of the Government and to continue with them—despite doubts, fears and controversies—constitutes the kernel of the relatively lengthy draft economic resolution prepared by the outgoing Congress(I) Working Committee for presentation to the seventyninth plenary of the party which commenced here today.

The beginning and the end of the draft possess some political flair. The pages in between are dry reiteration of the Government's fiscal, industrial, and trade policies that are together taken to be part of a reform or restructuring and economic stabilisation programme. The draft is expected to be taken up for consideration tomorrow.

De-regulation and liberalisation as lubricants of a broad-spectrum marketisation programme are to continue for the sake of increasing production, efficiency, savings, investments and technological upgradation in the economy. This is the basic thrust of the economic draft.

These may well be necessary, but it is not clearly explained why. The draft asserts, it does not illuminate. In defence of the new economic policies, it cites broad Nehruvian rhetoric without exploring its soul, though Nehru could be pragmatic enough.

The policies of Indira Gandhi and Rajiv Gandhi are also referred to and it is suggested that the present economic regime is either no more than their extension or their creative application. Sometimes, the intentions expressed in the Congress Election Manifesto are repeated to justify the present policies.

But there is a clear indication that the safety net argument has sunk in, and the ruling party's leadership has taken sufficient care to bring it into the economic draft resolution.

There is enough in the document to suggest persistence with subsidies to the farmers, and also food subsidies in the case of the poor, especially agricultural labourers. The latter is to go together with the expansion of the public distribution system. Together these represent succumbing to pressure groups and accommodating criticism within the party.

The key role of agricultural output to the economy is acknowledged with the suggestion that the stabilisation programme might well flounder without adequate expansion in this crucial sector.

The question of price rise has naturally been broached, but the criticality of the factor does not find adequate expression in the economic draft. The claim of reduction in the price level has been advanced through somewhat dated figures whose validity have been questioned both within and outside Government.

More rapid generation of employment than has been the case has also been promised, but without suggesting exactly how.

Report on Political Resolution

92AS0921E Madras *THE HINDU* in English 15 Apr 92
p 9

[Article: "Congress(I) Launches Ideological Attack on BJP"; boldface words as published]

[Text] Rajiv Nagar (Tirupati), April 14. An unconcealed ideological assault on the BJP [Bharatiya Janata Party] to clear any misconception and emphasis on building both the economy and peace—as well as destroying of iniquity—in “a period of intense crisis” for the country, mark the draft political resolution commended by the Congress(I) leadership for approval at the three-day plenary session that began here today.

The ideological attack, however, is not on the BJP or majority communalism alone, but also against minority communalism. Mauling communal belief systems does not prevent the ruling party from calling for eschewing the “politics of confrontation” and to “convert the theme of consensus into a political reality that will give our nation stability and growth, enabling us all to tackle the real problems of our country.” A new era in Centre-State relations is also appealed for.

“We must build or perish,” says the draft. It warns that the country is “going through a period of intense crisis.”

Outlining the difficulties, it notes the activities of “sponsored subversives” in Punjab and Kashmir, the straining of the social harmony between castes and communities by the politics of “vote banks and communalism,” and “inefficiency, low productivity and complacency” in the

economic sector. To add to these is the disaffection of the poor and the landless which could acquire “ominous proportions.”

Tackling the complex set is the “pre-eminent national responsibility at the moment,” the draft observes, underlining the need to build the economy and construct peace. While the Congress(I) seeks to “join hands and work together” with others, the party believes it alone has the “ideology, the commitment, the grassroots presence and the strength to meet the challenge.”

It is in this spirit that the Congress(I) “seeks the consolidation of secular and democratic forces.” It concedes that it “may have made mistakes in the course of long years in power.” But this “should not obscure the basic reality that it is the only party which can provide both stability and progress.”

“Alternatives,” the draft asserts, “have been tried, now more than once, and only bred instability and confusion.” This theme is driven home with references to the record of SVD [Samyukta Vidhayak Dal] governments of the late Sixties, the Janata Government of the Seventies and the National Front Government.

The draft also notes “Whenever non-Congress coalitions come to power they have brought nothing but raging instability, bitter infighting for transitory benefits of power, violence between Indian and Indian in the name of caste and community, and misgovernment which has hurt progress and damaged India's position in the world.”

Praise for P.M. [prime minister]: Perhaps the most significant achievement of the Prime Minister, Mr. P.V. Narasimha Rao, has been the “quiet manner in which he has calmed the passions that had inflamed our nation,” the resolution observes.

It calls for rejecting “the politics of hysteria” which had been made into a “mechanism for electoral gains by certain political parties.” “We must shape a policy true to the spirit of liberalism and democracy that is the natural and inherent characteristic of India and its people.”

It was a measure of maturity of the party and the sense of responsibility of its leadership, the draft notes, that the Congress(I) has provided a “stable and successful” government after the last election though it did not enjoy a simple majority in the Lok Sabha.

The Congress(I) Government had also brought “reassurance and disciplined fiscal and political management.” This is why it was supported by the people in byelections held last year.

The BJP is singled out by name as “the latest manifestation of a communal political programme spearheaded by organisations like the RSS [Rashtriya Swayamsevak Sangh] since 1925.”

The party also notes that since the first general election different parties had sought to capture power with the support of communal elements. The Congress alone had opposed communal parties. Since 1967, all opposition parties had been affected by a "misconceived sense of anti-Congressism" which seemed to transcend all political considerations and ideology.

These political parties did not realise that "their blind anti-Congressism may have helped them acquire transient power," but their action "basically compromised the ideals of secularism and enabled a communal party like the BJP to consolidate its political base."

The draft says it is ironic that "these very parties are today preaching the merits of secularism and accusing the Congress Party of hobnobbing with the BJP."

Speaking of the party's own record, the draft states categorically, "We have never entered into any understanding, explicit or implicit, with any communal party, and this will remain the basic principle which will guide our future political functioning."

Reaffirming an AICC [All India Congress Committee] resolution of May 1952, the draft political resolution for the Congress 79th plenary seeks to underscore the point by declaring that there would be "no alliance, cooperation or understanding, explicit or implicit, between the Congress and any organisation which is essentially communal in character and function, whatever its designation may be."

Historic duty: The draft exhorts that it was the historic duty of all forces who want to protect and preserve the secular and democratic character of the Indian polity to come together.

"India's unity is synonymous with India's secularism," the draft notes. There has been a "pernicious attempt in the last few years to destroy the very validity of secularism, to deride it as pseudo-secular."

"It is no secret that the onslaught on secularism has been led by the BJP, which wants to convert secular India into a theocratic state dominated by a single religion. The Indian National Congress can never accept this premise."

The party has noted with "deep anguish" the rise of "political terrorism" that seeks to destroy the unity of the nation through the "power of an indiscriminate gun."

"Dialogue with those who have gone astray in Punjab and Kashmir, and restoration of the political process are the only methods by which normalcy can return to these troubled areas."

The Congress(I) is confident that the Prime Minister will "soon initiate the process for the restoration of popular rule" in Jammu and Kashmir. In respect of Punjab it notes the practice of democracy was "more than a matter

of holding elections." "Punjab must be nursed back into the robust health that was the pride of the country."

The draft has also appealed to all political parties to treat this issue as "national priority of the highest order and cooperate with the elected government in Punjab in this endeavour."

For Assam, the draft says it would be premature to suggest that the problem has been solved. "But it is reasonable to believe that we have taken an important step towards peace."

In Tamil Nadu "the culture of the gun is giving way to the norms of democracy." The draft says in this "once peaceful State," foreign militants were given a free run and a "cult of violence was encouraged," claiming its most tragic victim in the late Rajiv Gandhi.

The draft political resolution seeks the consensus approach in dealing with national affairs and invokes Mahatma Gandhi as well as the resolution of the 1985 Bombay plenary. The document states, quoting the Bombay resolution, "The Indian National Congress has always symbolised national consensus on vital policy issues." The idea of consensus was converted into a creed by Mahatma Gandhi.

The enormous national effort toward progress has two basic commitments, equity and efficiency, the draft points out. It says: "without equity growth becomes counter-productive, the poor must and shall have the first rights to economic progress. Without efficiency growth simply [text missing]"

Working Committee Poll

92AS0921F Bombay THE TIMES OF INDIA
in English 17 Apr 92 pp 1, 11

[Article by Subhash Kirpekar: "Ranga Rao, Satish Sharma Among Losers; Arjun, Pawar Win CWC Poll"]

[Excerpt] Rajiv Nagar (Tirupati), April 16. Six Central ministers, the political secretary to the Congress president, two leaders from Kerala and Gujarat and the former principal secretary to Mrs. Indira Gandhi were elected to the Congress working committee (CWC) here today.

The Tirupati Ten—as they have been nicknamed by party men—comprise, in the order in which they were elected, Mr. Arjun Singh (430 votes), Mr. A. K. Antony (426), Mr. Jitendra Prasad (418), Mr. Sharad Pawar (404), Mr. R. K. Dhawan (385), Mr. Ghulam Nabi Azad (332), Mr. Balram Jakhar (280), Mr. Rajesh Pilot (258), Mr. Ahmed Patel (247) and Mr. Vijay Bhaskar Reddy (243).

Among the losers was the Prime Minister's son, Dr. P. V. Ranga Rao (73 votes), Mr. Pranab Mukherjee (207), Mr. C. K. Jaffer Sharief (131), Mrs. Margaret Alva (148), Dr. Y. S. Rajashekhar Reddy (123), Mrs. Rajendra Kumari

Bajpai (191), Mr. Bindeshwari Dubey (173) and two chief ministers, Mr. Bhajan Lal (141) and Mr. Hiteswar Saikia (168).

Mr. Murli Deora, MP [member of Parliament] and BRCC [expansion not given] president, polled 115 votes, Mr. P. A. Sangma lost by a single vote to Mr. Vijay Bhaskar Reddy while Capt. Sharma polled only 226 votes. The lowest number of votes was polled by Mr. Hanumanthappa—a meagre three, Mr. Mani Shankar Aiyar polled 71 votes.

Right through the eight rounds of counting, Mr. Arjun Singh, Mr. Pawar, Mr. Antony, Mr. Jitendra Prasad, Mr. Azad and Mr. Dhawan maintained their lead. The tussle initially was among Mr. Reddy, Mr. Pilot and Mr. Ahmed Patel, then among Mr. Pilot, Capt. Sharma and Mr. Sangma when they had polled 156 votes each. Finally, Mr. Pilot shot ahead and was followed in the ninth and tenth positions by Mr. Ahmed Patel and Mr. Reddy.

A notable feature of the CWC poll was that not a single woman was elected. Nor was anyone belonging to the scheduled caste or scheduled tribe. The task of balancing the team through ten nominations will soon be performed by Mr. P. V. Narasimha Rao.

The CWC poll cannot be said to have paved the way for the emergence of any single leader, though it did project Mr. Narasimha Rao's neutrality in as much as his son lost. None of the winners polled more than 50 percent of the votes. Yet, the fact that there was an informal panel of secular and progressive forces, led by Mr. Arjun Singh and Mr. Sharad Pawar, gave the inner-party democratic exercise the character of a joint victory. Their panel, sources said, included Mr. Antony, Mr. Dhawan, Mr. Jitendra Prasad, Mr. Ahmed Patel and Mr. Pilot.

The poll was also marked by allegations of a syndicate having been formed at the Rajiv Nagar plenary, on the one hand, and a verbal duel between Mr. Dhawan and Capt. Sharma, with the former threatening to reveal all if the latter sought to project that he had the monopoly of 10 Janpath.

The mood of the plenary and the thrust of the pro-Rajiv speeches were at variance. This was evidenced by the fact that Mr. Mani Shankar Aiyar, considered close to Mr. Rajiv Gandhi, polled only 71 votes, two less than the Prime Minister's son.

It is significant that many delegates have already urged Mr. Narasimha Rao not to nominate to the CWC anyone who had been defeated in the poll. Mr. Rao's decision to go ahead with the election rather than go in for building a consensus has generated enthusiasm in the party, even though certain leaders have reservations about its long-term impact.

The two messages the CWC poll has sent down are important. One relates to the ignominy heaped on Mr. Antony by the Karunakaran camp in the Kerala PCC

[Pradesh Congress Committee] elections. The moral from Mr. Antony's victory is that no chief minister should try to cow down his political opponent, especially from within the same party.

The other relates to Bihar since both Mr. Bindeshwari Dubey and Mr. Tariq Anwar have lost. It is clear that the AICC [All India Congress Committee] delegates wish to tell Dr. Jagannath Mishra and Mr. Sitaram Kesri to stop quarrelling. The result of their rivalry has been that none from Bihar was elected to the CWC.

Though Mr. Buta Singh was elected to the Lok Sabha from Rajasthan, he presented himself as a candidate from Punjab on the strength of his being an AICC member from that state. With his defeat, Punjab goes unrepresented in the elective posts. Of course, it cannot be anyone's case that every state be represented in the CWC. But, regional balance will have to be achieved. [passage omitted]

Rao Presidential Address Reported

92AS0921G Bombay THE TIMES OF INDIA
in English 17 Apr 92 pp 1, 11

[Article by Janak Singh: "Rao Swears by Nehru"]

[Text] Rajiv Nagar (Tirupati), April 16. The Prime Minister, Mr. P. V. Narasimha Rao, said here today that growth with social justice for the oppressed and underprivileged masses would continue to be the guiding principle of the government's policies. The fear being expressed in certain quarters that the Nehruvian model would be given up was totally unjustified, he said.

In his presidential address to the 79th plenary session of the Congress, Mr. Rao said economic recovery would take time in view of the acute poverty. The establishment of an equitable social order would be a gradual process. But in keeping with its historic role, the Congress government would never give up its duty to assist the poor through its policies and programmes.

In a comprehensive enunciation of the government's external and internal policies, the Prime Minister said non-alignment would continue to be the cornerstone of India's foreign policy and while advocating non-proliferation of nuclear weapons, the country would press for universal disarmament by 2010.

The Congress president referred to terrorist problems in Punjab and Jammu and Kashmir but did not indicate how the government proposed to deal with them.

After dwelling upon the problems facing the country, the Congress president apparently extended an invitation to all those leaders who had parted company with the party to return to its fold. "I think all those who belong to the Congress culture would come out of their fragmented nooks. They will have to relieve their role of the freedom struggle days when they had carried the torch of swaraj to every corner of the country," said Mr. Rao.

Reiterating that there would be no deviation from the path shown by Pandit Nehru, the Prime Minister said neither laissez-faire nor communism of the kind practised in the erstwhile USSR could solve the numerous problems facing India.

"We have to strike a balance between individual and common good. Indeed there is no contradiction between the two. It is the virtue of democracy that it permits such pursuits and their fine-tuning from time to time," he said.

The Prime Minister said: "Our concept of self-reliance so far has included an emphasis on building up basic industries within the country and on import substitution. The priority given to basic industries was one of the great concepts of Nehru. The level of development we have reached has made us independent of the world economy in some respects but more dependent on it in others. But there is nothing surprising. There is hardly any country in the world, howsoever developed, which insists on making everything it needs."

Justifying the measures taken by the government to allow foreign capital. The Prime Minister said in four decades of development indigenous capital had reached a stage where it could stand on its own feet. Due to limitations of native capital, both quantitative and technological, there is need for opening up the economy to external replenishment. Besides, the opening up process was justified on economic grounds also. The Indian economy cannot remain insulated any longer.

Mr. Rao said the public sector, a symbol of self-reliance, had not been performing as well as was expected of it. Even Nehru felt a mixed economy was more suitable for the country's requirements. In view of the heavy losses being suffered by some public sector undertakings, the government wanted to throw these areas open to private investors.

The Prime Minister clearly admitted that opening of the economy to multinationals had its hazards. "One danger which he must recognise and guard against the opening up process is that this could lead to wider disparities within society. To meet this situation, we have to enable the underprivileged sections to derive the benefits of the new opportunities. Until that happens, there has to be a bypass arrangement whereby benefits reach the lowest rungs of the social pyramid directly from the state," he added.

The thrust of poverty alleviation programmes would be through employment guarantee schemes and subsidised food distribution to the poor. Proper targetting and linkage of the food programme with employment was necessary so that food did not become a dole, stressed the Prime Minister.

The government has just taken up the revamped public distribution system.

Foreign Delegates Attend

92AS0921H Bombay THE TIMES OF INDIA
in English 17 Apr 92 p 7

[Article: "Foreign Delegates Lend Colour"]

[Excerpt] Rajiv Nagar (Tirupati), April 16. Eighteen countries are represented in the foreign delegation invited to attend the AICC [All India Congress Committee] plenary session here. The delegation was introduced soon after the resolution on international affairs was read out.

The eight-member Nepalese delegation included two former prime ministers, Mr. K. P. Bhattarai and Mr. Surya Bahadur Thapa. The Sri Lankan delegation included two ministers, Mr. A. R. M. Manzoora (minister for trade and commerce) and Mr. Paul Perreira (minister for science and technology). The three-man delegation from Bhutan in their national attire, lent some colour to the events.

Other countries represented here included Mauritius, Afghanistan, Vietnam, Korea, Cuba, Poland, Germany, Italy and Japan. The missions of Australia, Romania, Russia, Spain and the United States were also represented. [passage omitted]

Allegations That Soviets Funded CPI Examined

Washington, Moscow Reports

92AS0836A Bombay THE SUNDAY TIMES OF INDIA
in English 22 Mar 92 pp 1, 24

[Article by Gautam Adhikari; quotation marks as published]

[Text] Washington, March 21. In classified documents, which were revealed in the Russian parliament and came to public light last month in Moscow, the Communist Party of India (CPI) is listed as one of 90 leftist organizations worldwide funded by the former Soviet Union.

For the year 1990 alone, the CPI is shown in one of these previously top secret documents as being allocated a payment of U.S. \$500,000. The "Committee for National Security of the USSR", which was otherwise known as the KGB, was authorized in the document to hand over the designated money. We display (in one part because of transmission difficulties) a copy of the relevant document, written in Russian, of course, and published in a Russian journal. The CPI's name has been highlighted in a pencilled box.

At official 1990 prices for the U.S. dollar, \$500,000 would have amounted to approximately Rupees 90 lakhs since the alleged transaction appears, by all evidence available at this point to us, to have been confidential. That many dollars could even have fetched a recipient Rupees 1.25 crores in the open market.

There had been unsubstantiated rumors floating around for years that the former Soviet Union had been generous in financing its friends in India or elsewhere, that the money was diverted as percentages from commercial transactions and so on. For the first time, however, official documents have become public in Moscow confirming direct payments broad sanctioned by the Soviet Communist Party.

Apart from raising the serious question of whether these apparently secret deals compromised India's national sovereignty over decades, and whether it amounted to interference by a foreign power in the internal affairs of India, the documents could raise doubts about the nature of the CPI's possibly divided loyalties. Since it is a major national party, which has played a role in shaping political life in India for decades, such questions could well arise. To provide answers, the government of India might have to enlist the help of the prosecutor-general's office in Moscow.

Section 4 of the Foreign Contributions (regulation) Act of 1976 specifically bans political parties, members of Parliament and members of state legislatures from accepting foreign contributions of hospitality. The hospitality ban does not, however, apply to members of such parties and legislative bodies when they are part of an official delegation. Foreign contributions to political parties are also violative of section 13 of the Foreign Exchange Regulation Act.

The CPI is, however, definitely listed—as shown in the copy we have reproduced of the relevant document—along with a number of other parties around the world, in an official central committee resolution of the Communist Party of the Soviet Union (CPSU), as a party to which the KGB was asked to hand over \$500,000 in 1990. Exactly how the KGB did such financing is not known.

The story of the CPSU's secret funding of leftist organizations around the world was first published in OGONYOK magazine, No 9, of 1991, of Russia. THE WASHINGTON POST, which had access to the same documents, followed up the story on its front page on March 1, 1992, to expose a \$2 million payoff by the Soviet party to Mr Gus Hall, the leader of the United States Communist Party. That payment of \$2 million is listed at the top of the list in the picture accompanying our study.

The OGONYOK article came from the horse's mouth, so to speak. It was written by Mr Yegeny Lisov, deputy prosecutor-general of Russia, in response to, as he says, numerous requests to make public the investigations into the CPSU's financial dealings.

The WASHINGTON POST article, written by the paper's Moscow bureau chief, Mr Michael Dobbs, concentrated on the CPSU's payment to Mr Gus Hall and the U.S. Communist Party. Mr Hall signed makeshift receipts to account for the money.

In his article, Mr Dobbs also wrote: "Formerly top secret documents released this week to THE WASHINGTON POST and the Russian popular Magazine, OGONYOK, make clear that a worldwide communist 'conspiracy' really did exist for much of the past seven decades, with the Kremlin secretly funding client parties from India to El Salvador." That was the point at which our investigation began.

The POST article quoted Mr Mikhail Gorbachev, the former president of the former Soviet Union, defending the clandestine funding of foreign parties as "absolutely normal". He not only did not deny the funding, he said he was prepared to defend his reputation at a public trial on the issue "if that is what society needs". The Gorbachev remarks were from an interview with him published on the same day, March 1, in Komsomolskaya Pravda.

However, Mr Lisov categorically stated: "The party did not have the right to send state funds abroad in this way. The Politburo behaved as if it were the government, ordering the state bank to allocate funds to a special KGB account. The way the money was transferred was completely illegal."

According to The POST, in addition to financial subsidies, the American communists benefited from regular "ideological vacations" in the Soviet Union. Some leaders of Indian communist parties have been known to take such holidays in the Soviet Union.

In translations made by a Russian interpreter, who assisted the TOINS [Times of India News Service] in Washington, the available papers obtained from Moscow suggest that the CPSU spent millions of dollars each year on this kind of clandestine funding of fraternal organizations abroad. It was often accused by outsiders of having done so but this is the first time that documentary evidence of its activities has emerged.

In 1989, for instance, the contribution of the CPSU to the fund totalled U.S. \$22,044,673. The document which says this is dated December 28, 1989.

According to our translation, the 1990 document listing various parties, including the CPI, says at its top right hand corner: "Special file, Top Secret". The heading says "Official resolution of the CPSU central committee" and, underlined: "The issue of the foreign department of the CPSU central committee".

After the listing of various parties to be financed, comes a note, under item 2, written at a slant: "The Committee for National Security of the USSR is hereby authorized to hand over the money." That committee is the KGB, as is well known.

In his article in OGONYOK, Mr Lisov wrote: "On February 10, 1992, in the Supreme Soviet of the Russian Federation, a parliamentary hearing was held concerning the financial activities of the Communist Party of the Soviet Union." Quite a few of the facts that emerged in

the hearing were "sensational", he thought. "As it turned out," wrote the deputy prosecutor-general, "the CPSU had been 'feeding' friendly/fraternal foreign parties or movements with leftist leanings for several decades." During the last decade, he said, 90 parties or organizations around the world had received money from the Soviet party in varying amounts, with the largest sums going to the communist parties of the United States, France, Finland, Portugal, Chile and Israel.

"The total amount of financial assistance received by these foreign parties over the same period amounted to over \$200 million," according to Mr Lisov. He said that the practice had originated "a long time ago", after World War II. "Everything was carried out quite secretly" but it was pointless to carry on that secrecy any longer, he felt.

The money was kept in dollar bank notes in the USSR Bank for Foreign Trade. The total annual size varied between \$22 and \$25 million. Although the fund was called "international", its distribution was "exclusively a prerogative of the CPU's central committee, more precisely of the politburo". Every year, the international department would submit a list detailing its requirement of funds and the central committee acting through the politburo, would sanction the money after approving the list.

Denial in Lok Sabha

92AS0836B Bombay THE TIMES OF INDIA
in English 24 Mar 92 pp 1, 13

[Text] New Delhi March 23. The CPI [Communist Party of India] today emphatically denied in the Lok Sabha that it had received funds from the KGB as alleged in a report from Washington based on classified documents made public in Moscow.

An agitated Mr Bhogendra Jha said: "On behalf of the CPI, I say that this is a false allegation." He said now that the Soviet Union had disintegrated, many "concocted stories" were being circulated.

Pointing out that his party's accounts were properly audited by chartered accountants, Mr Jha said the CPI was willing to allow a joint parliamentary committee (JPC) representing all parties, to examine them. But along with the CPI accounts, those of all other parties should also be checked, he added.

He referred to sacrifices made by his party members who paid a "levy" to the party and described the allegation as an affront to them.

The issue, raised by Mr Ram Naik (BJP) [Bharatiya Janata Party] during zero hour, led to a 30-minute impromptu discussion. Referring to the report in The Sunday Times of India which said, among other things, that the CPI was allocated \$500,000 for 1990, Mr Naik said it was a serious matter and the government must make a detailed statement on the subject.

The leader of the opposition, Mr L.K. Advani, said the CPI was reported to have received a large sum of money in the 1980s. The report had not been denied by the CPI. The government must inquire into the charge and place the findings before the house, he said.

Mr Advani said the CPM [Communist Party of India-Marxist] had not been mentioned in the report, though he had always apprehended that the communist movement as a whole had been undermining the country's political and economic sovereignty.

The BJP leader then made a passing reference to the latest report from Geneva that the Indian government was not keen on pursuing the investigation relating to the Bofors kick-back, but added that the allegation involving the CPI was far more serious.

Mr Jha pointed out that the report did not mention that the CPI had received money from the KGB; it only said the KGB had been asked to give funds to the party. The difference was not minor.

Mr Jha's demand for setting up an all-party committee was backed by the other left parties, besides the Janata Dal. Mr Advani said while his party had no objection to a parliamentary probe if there was a 'prima facie' case, the setting up of a committee by itself was not enough. The CPI had now denied the charge. But the issue involved legal provisions under the Foreign Contributions (Regulation) Act. The government must inquire into the allegation and come out with the truth, he added.

The minister for parliamentary affairs Mr P.R. Kumarangalam, said he could understand the feelings of the members and suggested that the issue could be taken up when electoral reforms are discussed by leaders of various parties.

The government, he said, had no "firm" report on the subject. The speaker could, if he deemed it fit, convene a meeting of leaders to decide the future course of action.

While agreeing with Mr Jha's suggestion for an all-party committee to go into the charge, Mr Nitish Kumar (Janata Dal) suggested that the probe cover the accounts of religious organizations as well.

Referring to the manner in which Mr Advani had "linked" the Bofors issue with the charge against the CPI, he said this showed that the BJP and the Congress had "joined hands" on the gun scandal. This evoked strong protests from the Congress. He said while he was not a supporter of communists, he could not but condemn the bid to malign a particular ideology and certain people.

Meanwhile, several members in the Rajya Sabha today demanded that a JPC go into allegations that the CPI had received funds from KGB, reports PTI.

The demand was first made by Dr Subramaniam Swamy (Janata Party) who raised the issue of a newspaper report about KGB funding the CPI through a special mention.

Mr Chaturanand Mishra (CPI) said Dr Swamy should first authenticate the report before demanding a JPC probe.

CPI denial (TOINS from Kolhapur): "The Russian newspaper OGONYOK, is notorious for its sensationalism. Hence I flatly deny that the Soviet Union was funding the CPI," said Mr Inderjit Gupta here. The party general secretary is attending the state CPI's conference which began here yesterday.

Reacting against the story published in The Sunday Times of India, Mr Gupta told TOINS that the report was fabricated.

Investigation of Political Party Funding Urged

92AS0915A Madras INDIAN EXPRESS in English
24 Mar 92 p 6

[Text] Only the naive would be surprised by the "revelation" that the CPI [Communist Party of India] had been receiving financial support from the Communist Party of the Soviet Union (CPSU). Not should anyone be surprised if more documents become available which show that not only the CPI but several other fraternal organizations of the CPSU, newspapers and even key individuals close to the Government in the past have been recipients of the Soviet largesse either directly or through the rupee-trade route. At one level it could be argued that the Communists always viewed themselves as an international movement and therefore saw nothing wrong in funding fraternal organizations elsewhere in the world. Indeed, in the Comintern days such financial links were not only open, they were seen as legitimate for furthering the cause of the revolution. However, it is equally true that the complete ideological and financial dependence of the fraternal parties of the CPSU on the mother organization reduced them to being little more than the tools of Soviet diplomacy. Their consequent lack of responsiveness to local social change made them ineffective instruments for achieving the revolutionary goal they had set for themselves. Witness therefore the less than marginal local importance of the biggest recipient of Soviet funds, the Communist Party of America, or nearer home, of the CPI in Indian politics. Consider also the political errors of judgment made by the CPI time and again because it looked for constant ideological guidance to the CPSU. Each mistake - whether it was in 1942 or during the Emergency - diminished the CPI's role in Indian polity further.

If this be the result of a well-planned international communist conspiracy, then clearly it does not speak well of either the CPSU organ grinders or their monkeys. Those who would like to conjure up the ghosts of the Cold War era all over again would do well to take note of this before calling in the exorcists. As for the CPI, it would do well not to attempt to conceal its links with the

erstwhile Soviet Union. Unnecessary coyness in doing so will not only tarnish its image further but would damage all the leftwing forces in the country. It is being argued by some that national sovereignty has been compromised by those receiving Soviet funds. They would do well to remember that the independent functioning of political parties is compromised by foreign funds irrespective of their source. The present revelations have come as a result of the so-called "democratic" revolution that has torn the Soviet Union asunder. One wonders what it would take to lay bare the CIA files, for example. The disclosures in the RAMPARTS magazine in the sixties perhaps revealed only the tip of the iceberg. When would we know who the CIA funds or funded in this country? It is time that the funding of political parties from abroad is thoroughly investigated. A modest beginning can be made by the Indian Parliament demanding that all political parties make public their fund-raising activities abroad even if they are limited to the NRIs and shady Swamis fronting for arms dealers. A meaningful discussion on compromising the sovereignty of the nation can begin only when such facts become known.

CPI-M Denies Taking Any Foreign Funds

92AS0914A Calcutta THE TELEGRAPH in English
25 Mar 92 p 4

[Text] New Delhi, March 24: The CPI(M) [Communist Party of India-Marxist] general secretary, Mr Harkishen Singh Surjeet, today emphatically stated that his party had never taken any foreign funds from any country or organization and challenged "anybody in any quarter" to prove such charges against the CPI(M).

Asked to comment on the allegation that the CPI had received massive funds from the CPSU, Mr Surjeet side-stepped the question and said, "As far as our party is concerned, we have never received funds from outside. Nobody can point out any such thing about us." On the charge against the CPI, he said, "They have denied it. Why should I say anything."

In response to a newsman's query on whether it was all right for the international communist movement to show solidarity with its brethren in the Third World, Mr Surjeet sought to draw a distinction between help to forces directly fighting against imperialism and communist parties working in normal circumstances.

Giving examples, he said when forces were fighting in Mozambique and Angola, the world communist movement came to their aid just as the CPI(M) had raised funds from its cadres and sympathizers for the Vietnamese struggle. "This kind of solidarity is welcome," he said, but reiterated that otherwise communist parties should stick to drawing resources from within their own ranks and their own country.

Mr Surjeet denied that the West Bengal chief minister, Mr Jyoti Basu, had held discussions on the presidential elections with the Union human resources development minister, Mr Arjun Singh, last week and maintained that

the issue of presidential elections had not come up at all during the four day central committee discussions. He said there was still some months to go before the presidential polls, and the party would take a stand when it thought necessary.

On Mr Basu's frequent meetings with Mr Arjun Singh, Mr Surjeet said, "He is the chief minister of the state, he meets lots of ministers. He also met the Prime Minister which you people did not know of." As for Mr Basu's discussions with the Prime Minister, Mr Surjeet said, "He has many things to discuss—there are a lot of West Bengal projects pending with the Center..."

CPM Central Committee Meets, Adopts Resolutions

92AS0848A Bombay *THE TIMES OF INDIA*
in English 26 Mar 92 p 9

[Text] New Delhi, 25 March. The Communist Party of India (Marxist) [CPM] has demanded greater autonomy for the people of Kashmir, Jammu and Ladakh regions and immediate announcement of a political package for Punjab.

These demands have been aired in two separate resolutions that the party's central committee adopted during its four-day meeting which ended here on 22 March.

In its resolution on Kashmir, the party warned the Narasimha Rao government to desist from holding elections in the state without creating appropriate political atmosphere because that would not only result in a farce but aggravate the situation in the valley.

Expressing grave concern over the reported government move to hold elections in Jammu and Kashmir, the resolution said "such a move is being contemplated ignoring the grave situation in the valley clearly exposes the Congress government's opportunism."

The resolution further said "placing its partisan interests above those of the country, the Narasimha Rao government seems to be in a hurry to garner some more seats in Parliament for its majority. The Congress is seeking to repeat the holding, of farcial elections like in Punjab, without creating necessary political conditions that would ensure participation of the people of valley."

The party reiterated that the Kashmir problem cannot be tackled merely as a law and order problem. A political solution has to be based on various measures that should be taken to ensure the protection of the separate Kashmiri identity, its cultural traditions and customs, and the integration of the Kashmiri people into the functioning of the Indian state and society.

The resolution suggested that the alarmingly growing unemployment among the Kashmiri youth has to be immediately redressed. "Not only should Article 370 be preserved but greater autonomy to the people in the valley to decide on their developmental programmes should be ensured. Similarly greater autonomy for

Jammu and Ladakh regions of the state must be granted within the framework of the constitution of Jammu and Kashmir and in consonance with the Indian constitution."

In its resolution on Punjab, the CPM demanded immediate initiatives to announce a political package based on the Rajiv-Longowal accord.

It warned that any delay in doing so will only lead to a further deterioration in the situation damaging the cause of Indian unity.

Expressing concern over the situation in Punjab, the resolution said the Khalistani extremists have intensified their activities with the cold blooded murders of innocent people in the heart of Ludhiana. "A graver situation emerges with the moderate Akalis being forced by the extremists to support the resolution advocating "Khalistan" in the congregation held on the occasion of Hollah Mollah in Anandpur Sahib. [quotation marks as published]

Papers Report 15th CPI Congress

Opening Session

92AS0917A Madras *THE HINDU* in English
11 Apr 92 p 4

[Quotation marks as published]

[Text] Hyderabad, April 10. The 15th Congress of the Communist Party of India [CPI] opened here on Friday with the main speakers at the inaugural session asserting that the recent developments in the erstwhile Soviet Union and in Europe constituted only a temporary setback to the communist movement and underscoring the urgency of Left forces coming together.

About 1200 delegates from all over India and fraternal delegates representing communist parties in nine countries are attending the week-long congress in Secunderabad. The venue is named after Communist leader from Andhra Pradesh, Ravi Narayan Reddy, and the meeting hall after another party veteran and former Kerala Chief Minister, Achutha Menon. Mr Neelam Rajasekhara Reddy, former secretary of the State committee, presided.

Martyrs' column: The Congress got off to a start with Mr C. Rajeswara Rao, former general secretary, unfurling the Red Flag while other leaders received the flags brought from different corners and an Amarjyothi from a martyr's memorial in Warangal district. A temporary martyr's column was erected at the venue, topped by a flame that will burn till the conclusion of the congress.

For the first time in its history, the CPI invited leaders of other left parties to address the inaugural session. They included Messrs Harkishen Surjeet, General Secretary, CPI(M) [Communist Party of India-Marxist], Nirmal Bose (Forward Bloc), Ram Naresh Ram (Indian People's

Front) while Mr Tridib Choudhury of Revolutionary Socialist Party, sent a message of greetings. Revolutionary songs by members of the Andhra Pradesh Praja Natya Mandali, an affiliate of the CPI, was the highpoint of the inaugural session.

'Major set back': Mr Indrajit Gupta, CPI general secretary, who inaugurated the congress, referred to the "radical changes in political situation" in the world in recent times and said the communist movement and anti-imperialist forces worldwide had suffered a major setback following the disintegration of the Soviet Union. He noted that this was the first congress to be held without fraternal delegation from CPSU (Communist Party of the Soviet Union) and added nostalgically an international scenario to which we had become accustomed for all our lives has suddenly disappeared. He was confident that the CPSU would weather the storm and continue to struggle for its socialist ideals.

The CPI leader said the congress should analyze the major factors for the Soviet debacle and draw correct lessons from the bitter experience and apply them to India's future development and working class movement. He also criticized the Congress Government's liberalized economic policies and 'subordination of the economy to the World Bank and the International Monetary Fund' and expressed concern over growing secessionist and fundamentalist menace posing threat to India's unity and integrity.

Mr Harkishan Singh Surjeet, CPI(M) general secretary, said the setback to the communist movement was caused by certain mistakes and distortions, but not due to any mistake in the 'science of Marxism-Leninism'. None had challenged the basic principles of communism and the theory of class struggle. He also dwelt at length on "America-inspired IMF/World Bank pressures on Government of India and the nexus between the Congress(I) and the BJP [Bharatiya Janata Party]." People were bound to feel the impact soon of the Narasimha Rao Government's economic policies by way of rising prices, growing unemployment and inflation, he said.

To formulate Indian model: Mr Indrajit Gupta declared that the CPI would never subscribe to the motivated propaganda that socialism was dead and Marxism stood rejected. The failure of a certain model of socialism due to distortions, excess of ideological deviations etc. could not negate basic scientific concepts, objectives and ideals of socialism enshrined in teachings of Marxism-Leninism.

The CPI would continue to study Marxism-Leninism not as a religious dogma or a 'mantram', but as a revolutionary science which had to be applied to Indian conditions. This was the only way to arrive at an Indian model because only socialist orientation could bring about the desired transformation in the people's interests.

'Ominous developments': He said symptoms of political instability and economic crises were evident from two

general elections in three years and three successive minority governments, the present one 'surviving mainly due to a sharply divided Opposition'. Meanwhile, the integrity and secular set up of the country faced a challenge from menacing growth of fundamental and secessionist forces using religious extremism as principal weapon. The BJP had emerged as the main Opposition in the Lok Sabha and captured power in four States. 'These are ominous developments.'

The congress would have to assess why the party's base and performance in various States continue to stagnate instead of growing. The CPI had succeeded in isolating the BJP, but could not prevent it from swelling its Hindu vote bank. It was necessary to chalk out 'our tactical course in the context to the present national and international situations.'

Mr Nallamala Giriprasad, MP [member of Parliament], president of the Reception Committee and a former secretary of the State Council, CPI, in his welcome address, traced the history of Andhras, the historic struggle of Telangana people against the Nizam's autocratic rule and subsequent movements spear-headed by the CPI. He said the Left would become a formidable force in Andhra Pradesh if all the communists, especially the CPI and the CPI(M) united and if the naxalites also abjured individual terrorism and joined the mainstream of the Left movement.

Mr Nirmal Bose of the Forward Bloc said with the Soviet Union out of the picture, the imperialist America had become the sole super power with none to check. It attacked Iraq and now Libya and was interfering in India's economic and foreign policies. People should be vigilant.

Mr Ram Naresh Ram (Indian Peoples Front) also underlined the need for left unity.

Fraternal delegates from China, Vietnam, Korea, Cuba, France, Germany, Bangladesh, Nepal, and Sri Lanka were introduced to the gathering and garlanded. The Chinese delegation received the biggest standing ovation from the audience.

Resolutions Considered 12 Apr

92AS0917B Bombay THE TIMES OF INDIA
in English 13 Apr 92 pp 1, 15

[Article by Askari H. Zaidi]

[Text] New Delhi, April 12. The steering committee of the Congress today approved four draft resolutions without making any major change in their basic thrust.

Party sources said much of the discussion today was on the draft political resolution which retained the controversial references to the BJP [Bharatiya Janata Party]. The party has been named in the context of communal and opportunistic forces posing a serious threat to the nation's unity and integrity.

The sources said some members were of the view that keeping with the tradition, the resolution should not name any particular party or individual. However, Mr Arjun Singh, who has drafted the political resolution, convinced the Congress president, Mr P.V. Narasimha Rao, that the party should not shy away from identifying the forces which want to weaken Indian policy.

Mr Singh apparently justified naming the BJP on the ground that the resolution does not spare minority communalism and attacks the political forces which believe in the politics of religious edict.

The resolution was ultimately approved when Mr Rao expressed the view that the Congress plenary session should not give an ambiguous message to party workers and the people at large, the sources added.

After presenting a brief survey of the difficult times through which the nation was passing, the draft political resolution, entitled "Continuity with change", uses the catchy phrase that India stands at a juncture today where it has to build or perish.

While suggesting a course of action to retrieve the country from the present situation under the stewardship of Mr Rao, the draft places emphasis on equity with efficiency.

The BJP is not the only party which has been taken to task in the draft political resolution. There are direct references to the misrule of the National Front government. The use of the phrase, "equity with efficiency", seems to have been made to convey to the deprived sections that the Janata Dal is not the sole champion of the down-trodden but the Congress was also keen to fight for their share in the power structure.

The draft political resolution accuses the left parties, the erstwhile Janata Party and the present Janata Dal of merging their identity with the BJP in their desire for political power, adds PTI.

It was strange, says the resolution, that these very parties were now preaching the merits of secularism and charging the Congress with hobnobbing with the BJP.

Seeking the consolidation of secular forces, the resolution, described the BJP as the latest manifestation of a communal political pogrom spearheaded by organizations like the RSS.

In a sharp attack on the main opposition party in the Lok Sabha, it says that the onslaught on secularism has been led by the BJP which wants to convert secular India into a theocratic state dominated by a single religion. The Congress can never accept this, the resolution said.

Complimenting the quiet manner in which the Prime Minister calmed the passions that had inflamed the nation, the resolution calls for converting the theme of consensus into political reality saying this would give the nation stability and growth.

It squarely condemns Pakistan for blatant interference in India's internal affairs by attempts into destabilize both Punjab and Kashmir. Pakistan has launched a fourth war, a war by proxy, through a well-financed and well-trained fifth column.

The draft economic resolution justifies the liberalization of the Indian economy and seems to be aimed at explaining to party workers how it would help the poorer sections. The draft, prepared by Mr V.N. Gadgil, points out that the resent economic policies were actually a continuation of the opening up of the economy initiated by the former prime minister, Mr Rajiv Gandhi.

Political Resolution Introduced

92AS0917C Bombay THE TIMES OF INDIA
in English 13 Apr 92 p 9

[Text] Hyderabad, April 12 (PTI). The CPI [Communist Party of India] general secretary, Mr Indrajit Gupta, yesterday called for a solidarity movement for Cuba and to launch a rice collection campaign in order to help that country tide over its foodgrains shortage.

Introducing the draft political resolution at the party's 15th congress here, Mr Gupta said the Center had "failed to keep its commitment of release of 10,000 tones of rice for Cuba against its request of one lakh tones of wheat and rice."

"A Cuban delegation, which had stayed in Delhi for several days to finalize the supply of rice, had to return empty-handed since the government had succumbed to pressure from the U.S. administration not to release the stocks," he said.

Describing this as one of the deviations from the nationally accepted policy of non-alignment, the CPI leader said the joint naval exercises of the U.S. and the Indian Navy scheduled to be held in the Indian Ocean was another area of cooperation.

"This is the natural result of the wholesale shift in the economic policy of the government towards a free market economy and the reckless speed with which the finance minister, Mr Manmohan Singh is moving will only bring disaster to the country's economy, he added.

Mr Gupta said the finance minister had recently announced in Tokyo that 49 percent of the shares in public sector companies would be disinvested and that loss-making state companies would be closed down. However, when he faced a storm of protest on return to the capital, he claimed that he was misquoted, Mr Gupta said.

Describing the election in Punjab as a farce, the CPI leader said even after the installation of a Congress government, the situation had only worsened, while in Jammu and Kashmir, the "ekta yatra" led by the BJP [Bharatiya Janata Party] president, Mr Murli Manohar Joshi, had further vitiated the atmosphere.

Stressing the need for consistent efforts for a broad and united campaign against communalism, he said his party respected the religious sentiments of the people.

Mixed Economic Supported

92AS0917D Madras *THE HINDU* in English
14 Apr 92 p 9

[Quotation marks as published]

[Text] Hyderabad, April 13. Partly out of sheer compulsion, dictated by the collapse of the center of world communism, and partly because of a genuine desire to pursue a more realistic program the CPI [Communist Party of India] has, at its 15th congress here, been trying hard to 'Indianise' itself. In fact, 'Indianization' is a word repeatedly used by some very senior leaders to describe the party's new line, especially on economic issues.

In a major departure from its traditional approach, the CPI has given up the concept of a highly centralized unitary form of economy in favor of mixed economy of which it had until recently been sharply critical. But in order to avoid the impression that it is jettisoning one of its crucial concepts the party has chosen to avoid the expression, 'mixed economy', and instead refer to it as 'multi-structural' economy.

Old medicine: The world mixed economy, it is explained, smelled too much of the 'discredited' Congress model which the CPI holds responsible for the present economic crisis. The idea of 'multi-structural' economy, on the other hand, is not tainted by bad memories. Yet, it has not been easy to sell the idea to the more perceptive among the rank and file who have seen through the semantic jugglery to find out what it is the same old medicine under a new brand name.

While the leadership is consciously trying to avoid being identified with any particular line, its new economic philosophy has a striking resemblance to the Chinese approach to which approving references have been made in informal discussions. There is an influential section in the party which endorses the Chinese proverb that the color of the cat is immaterial so long as it catches the mice.

If mixed or multi-structural economy can deliver where the classical communist model has failed, there is no harm in giving it a chance, it is argued. Any overt parallel with the Chinese model, however, is still—at least for record—met with frowns and promptly the point is made that China has gone too far in disregarding the color of the cat.

The criticism, however, is sought to be softened by arguing that China is doing what it thinks is in its best interest, and nobody has any business to sit in judgement on it, just as the CPI would not like anyone to tell it how to run its affairs.

Option to workers: While stressing its commitment to the 'leading role' of the public sector, the party is not in favor of further nationalization. Nor is it going to insist—as it has in the past—that all sick industries should be taken over by the Government in the interest of the workers.

Its new formulation is that in such cases, the workers should first be offered the option to run the unit themselves with the help of the State, but if they try and fail the Government should not hesitate to close it down. The owners of the unit should however be made to pay compensation to the workers. "We don't think any purpose would be served by burdening the State with a unit which cannot be cured," says Mr Pauly V. Parakal, the party spokesman at the congress.

All this is part of the process of 'Indianization' of the party's image—and also to some extent the result of what the senior party leader Mr A.B. Bardhan calls 'deeper understanding' of the policies which led to the collapse of the Soviet model. In what many might see as a premature formulation, characteristic of the CPI, the party has already virtually concluded that international communism is dead and the salvation lies in following a home-grown path to socialism.

The party spokesman today pointedly said there was no organized world communist movement, so much so that even the address of the CPSU was not known. And that is why the CPI could not send it an invitation to the congress. There were many erstwhile communist parties which no longer called themselves communists, he said, and no world conference of communist parties had taken place since 1969. So where was the world communist movement? he asked.

Amended: The significance of India's own road to socialism is also stressed in the amended preamble to the party constitution introduced at the congress today. It emphasizes that the path to socialism will be determined by "the specific historical conditions obtaining as well as the particular characteristics and features of our own country, its history, tradition, culture, social composition and level of development."

In the Draft Programmatic Statement which the congress took up for discussion today, the place of religion in Indian society is emphasized in keeping with the party's new and more realistic approach. Also taken up for discussion was the Draft Political Review Report and the Resolution on the Developments in the Soviet Union and Eastern Europe. Several amendments were accepted but none, according to the party spokesman, went against the spirit and general line of the original formulations.

Draft Organizational Report Introduced

92AS0917E Bombay *THE TIMES OF INDIA*
in English 14 Apr 92 p 1

[Text] Hyderabad, April 13. The CPI today stated that the functioning of the Central leadership of the party at

present was "totally insufficient", and called for an improvement in the working style of the Central executive committee and the secretariat, reports PTI.

A draft organizational report, introduced by Mr N.E. Balram, secretary of the party's national council at the 15th congress of the party, stated that to eliminate weaknesses and improve party functioning, the key task was to strengthen the functioning of the party leadership.

The draft also pointed out that induction of young leaders as part of the Central leadership was not being seriously thought of. Lack of proper linkage with state party leadership and inadequate response to political issues were other weaknesses in the Central leadership's functioning, it stated.

Dwelling substantially on the stagnation of the party membership at around 4.5 lakh, the draft stated unless the style of functioning and the entire party leaders was changed, the position would not improve. The political message of the leadership was also not reaching the grass-roots level workers and when the country was passing through a complicated political process, it was essential that the party guidelines reach the ordinary workers, the draft added.

Introducing the draft, Mr Balram said lack of inspiration and enthusiasm for activities was prevalent at various levels of the party and this serious situation had been compounded by the present international situation, the collapse of the Soviet Union and the banning of the communist party of the Soviet Union.

There was also a school of thought in the party that organizational problems were not as important as political issues, leading to the position that organizational matters could wait. This was the political psychology of the leadership, he said.

Mr Balram suggested several measures to improve the party organization, including an annual review report from lower committees to the national council after membership renewals, full time secretaries and assistant secretaries for district councils having 500 or more members and conduct of party membership campaign in an organized and effective manner with the involvement of the entire leadership in the enrolment campaign.

More on Resolutions

92AS0917F Madras THE HINDU in English
15 Apr 92 p 4

[Quotation marks as published]

[Text] Hyderabad, April 14. The Communist Party of India (CPI) today dismissed as an eyewash the Congress(I) move to name the BJP [Bharatiya Janata Party] as a communal organization in one of its main documents at Tirupati. Its general secretary, Mr Indrajit Gupta, mocked at press reports that his party was 'delirious' with joy over the news from Rajiv Nagar (the venue of the AICC [All India Congress Committee]

session) and said that knowing sufficiently well the Congress(I)'s track record the CPI rank-and-life had taken the announcement with a 'pinch of salt.'

The dominant view at the party congress here on the fifth day was that simply calling the BJP a communal party was meaningless unless the Congress(I) followed it up with concrete action. The least the Congress(I) could do to establish its secular credentials was to break its alliance with the BJP and the Muslim League in Kerala.

Obviously upset over the inspired speculation about the CPI's attitude towards the Congress(I), in view of the somewhat ambiguous formulations in one of the party documents. Mr Gupta turned up at the crowded media center to clarify the position.

He said his party's invitation to secular and democratic forces, including Congressmen, to join a broad platform against communalism did not mean that it was willing to have a political alliance of any kind with the Congress(I). The CPI was firmly opposed to a formal alliance or front with the Congress(I) but if individual Congressmen were willing to support a mass anti-communalism campaign they were welcome.

Mutual backslapping: The CPI has taken a serious view of the mutual backslapping by the Congress(I) and the BJP with the Congress party president, Mr Narasimha Rao, giving a clean chit to the BJP-led Government in Madhya Pradesh and the BJP leader, Mr L.K. Advani, returning the compliment by saying there was no reason why the Congress(I) Government at the Center should not last its full term.

Mr Gupta minced no words when he said that the very concept of the Congress(I) as a secular party could be in jeopardy if, because of the minority character of his Government, the Prime Minister "succumbed to the temptation" of making compromises with the BJP. "It had serious implications both for the Congress(I) and the country."

That the CPI is not going to make any concessions to the Congress(I) on economic issues simply to buy its support for the fight against communalism has become clear from the deliberations of the congress over the past five days. And if there were any doubts, Mr Gupta set them at rest saying that there was no question of 'diluting' his party's opposition to the economic policies even if it meant doing without the Congress(I)'s support for its anti-communalism campaign.

The Congress adopted a strongly-worded resolution saying that the Government was trying to 'dismantle' the public sector and give up the concept of planned development under pressure from the International Monetary Fund and the World Bank. "The Congress, while agreeing that the public sector units have to be run more efficiently, considers that this can be done only with the cooperation of the workers and their trade union and not by privatization," the resolution said pointing out that

the experience of countries such as Brazil and the Philippines which went in for large-scale privatization had not been happy.

The proposed joint Indo-American naval exercises have also come in for sharp criticism and the question being asked in party circles is against whom are these exercises aimed at? 'Who is the perceived common enemy of India and the United States?' asked Mr Gupta pointing out that even at the height of Indo-Soviet military cooperation the two countries never had such joint exercises. Certainly the IMF and the World Bank had not recommended this as part of the conditionalities, he observed sarcastically.

Ayodhya situation: Delegates from Uttar Pradesh were concerned about the situation in Ayodhya after the recent developments. According to Mr Mitrasen Yadav, the party's State Secretary, the situation is 'tense' and could get worse if the BJP and its front organizations persisted with their plans. The opinion is reflected in a resolution adopted today.

The resolution charges the Uttar Pradesh Government with 'flagrant violation' of the assurances it had given to the national Integration Council that it would not alter the status quo at the disputed site. In flagrant violation of these assurances they have started changing the structure of the land defying the court order (and) they are not concealing their resolve to construct the temple on the disputed site notwithstanding the court order," the resolution says point out that the situation in Ayodhya has worsened since the joint delegation of NIC and Parliament visited the place.

The resolution pointedly notes that 'wavering' by the previous Congress(I) Governments both at the Center and in Uttar Pradesh substantially contributed to the seriousness of the dispute. The Center, it says, should not shy away from its constitutional obligations—an euphemism for cracking the whip if the State Government continues to and defiant.

'Old Guard' Remains

92AS0917G Madras THE HINDU in English
16 Apr 92 p 4

[Text] Hyderabad, April 15. As the 15th congress of the CPI [Communist Party of India] began to wind up its affairs this evening, it became clear that no major organizational changes are in the offing, and those expecting a more youthful and functional structure to emerge are likely to be disappointed when elections to the various decision-making bodies are held tomorrow morning before the delegates return home.

Despite a strong feeling that some of the older leaders should step down and make way for younger blood, the top leadership is not being disturbed. And Mr Indrajit Gupta, who is all set to be re-elected general secretary for

a second term, will find himself leading broadly the same team under which the party has, on its own admission, remained 'stagnant.'

Of the nine outgoing national secretaries, only Mr C. Rajeswara Rao has so far indicated that he is not seeking re-election and even the most optimistic observer at the congress is not counting on more than two more to follow suit. There were strong indications today that much of the nine-member powerful secretariat would remain intact.

The National Council will see some new faces but then it is mandatory for 20 percent of its 125 members to retire at every congress and even if the figure goes up to 30 percent, as some expect, the changes will not have much bearing on the party's style of functioning which has come under sharp attack at the congress. The new faces are likely to include secretaries of some major state units, including Andhra Pradesh and Uttar Pradesh.

Smaller set-up opposed: At one stage there was a move to slim the party structure. Instead of the existing three tiers—the national council, the central executive and the secretariat—the idea was to have two tiers with a small secretariat providing only administrative support. But the proposal seems to have been virtually given up partly because of opposition from the secretariat and partly because the idea was not properly explained to the delegates.

A related proposal to revive the post of the deputy general secretary has also hit a snag and the amendment seeking to make it obligatory for the party to have a deputy secretary general (the existing constitutional provision is hedged in with too many 'ifs' and 'buts') is almost certain to be rejected, Mr Indrajit Gupta was the first, and presumably the last, deputy general secretary just as the late S.A. Dange was its first and last chairman.

There is a considerable concern in the party over the slow pace of change and during the discussion on the organizational report several delegates raised the point that no attempt had been made to build up a second line of leadership resulting in a big generation gap. This had affected the functioning and growth of the party. Mr N.E. Balram, a senior party leader and author of the organizational report, was also critical of the ageing leadership profile and wanted the party to make 'conscious and consistent' effort to give itself a younger look.

In informal discussions, partymen emphasize that one of the major failures of the party has been the inability to encourage mobility within the party and they fear that if the tendency persists it will have serious consequences. Almost the entire top brass is over the hill, it is pointed out, and the few like Mr Indrajit Gupta who despite their age are capable of infusing the organization with some life are far too overburdened with work.

None to fit the fill: One reason behind the idea to have a deputy general secretary was to relieve the burden on him, but as a senior delegate intimately connected with

party organization pointed out there was no leader capable enough to fit the bill. Some in the party are convinced that it is 'suicidal' to persevere with the cast which is so closely identified with the policies responsible for the present state of socialism. 'It reflects the poor level of consciousness at the workers' level that there was not been sufficient pressure for a change at the top, says a bitter delegate associated with the post-mortem of the socialist collapse.

Meanwhile, it was officially admitted today that there were differences in the party over the Mandal Commission's report and the steering committee of the congress was trying to resolve them. The spokesman said the differences related to the additional 10 percent reservation proposed by the government for the poorer among the upper castes. While the leadership favored the government proposal, a section in the party wanted no diversion from the Mandal Commission's recommendations.

Support for Jharkhand: On the penultimate day, the congress adopted several resolutions including one on distortion of history in academic institutions. It said that teaching of history was a potent weapon in the hands of communalists, fundamentalists and apologists of imperialism and urged the history teachers to resist such tendencies. By another resolution, the congress supported the demand for a separate Jharkhand state.

Press Reports, Meeting of BJP National Executive

13 Mar Opening

92AS0840A Calcutta *THE TELEGRAPH* in English
14 Mar 92 p 4

[Article by Manini Chatterjee; quotation marks as published]

[Text] Sarnath, March 13: The BJP [Bharatiya Janata Party], of late, has stopped harping on its favorite theme of "pseudo-secularism" but appears to be raising the specter of Islamic fundamentalism as the new way of promoting the Hindutva consciousness.

In his opening remarks to the party's national executive meeting today, the BJP president, Dr Murli Manohar Joshi, warned of the adverse impact of Islamic fundamentalism both from the view of national security as well as on economic grounds.

Dr Joshi said, "In responding to the emerging global scenario we must take care, on one hand that a non-exploitative international economic order comes into being, and on the other, we must guard ourselves from the consequences which can follow from the grouping of certain nations on the basis of religion."

He further said, "The political resolution adopted by the organization of Islamic countries against India is a point to be considered along with the emerging economic

grouping of Pakistan, Iraq and Turkey supported by the central Asian republics. The hostile attitude of Pakistan towards India, and its declared support to the subversive elements in India, assumes a much serious dimension in this context."

In reply to a question, Dr Joshi also attacked the new clout acquired by an integrated "fortress" Europe on the grounds that it was being dictated by the "Catholic" views of the Pope. He said there was rising danger from this as well as the emerging Islamic grouping and felt that India should, therefore, work out an alternative model based on our age-old heritage which would be marked by a "non-exploitative" approach and characterized by a "symbiotic relationship" between man and environment.

Mr Joshi did not, however, elaborate as to how India could effectively counter the influence of Catholic Europe and Islamic Asia while going in for increased globalization.

BJP credo: The BJP's emphasis on "cost, quality and efficiency" is in sharp contrast to Mahatma Gandhi's "swadeshi" (now echoed by the RSS [Rashtriya Swayam-sevak Sangh]) which sought to promote khadi even if it was more expensive and inferior than mill-made cloth from manchester or Lancashire. In the battle between RSS-minded purists and businessmen led by pragmatists, the latter in the party appear to be on the winning side for the moment even while paying lip service to words such as "swadeshi".

In a further bid to dissociate itself from its mentor, the BJP statement repeatedly invokes the names of Mahatma Gandhi and Deen Dayal Upadhyaya but not the RSS founder, K.B. Hedgewar. The Swadeshi Jagran Abhiyan, on the other hand, also appropriates the image of Gandhi but along with Hedgewar. When asked about this, the party secretary, Mr J.P. Mathur, only said, "Dr Hedgewar was not a politician. We are a political party."

Broad support to government: Though the BJP statement on economy does not mention the Budget or the sweeping economic reforms in India well placed sources said there was more than broad support to the government's policies. Though the question of the ekta yatra's impact or lack of it) came up for discussion today, party leaders felt the need of the hour was to concentrate on economic issues. While the party would play the role of a watch dog Opposition, its overall approach should be positive, it was felt.

Over the next two days, the party will work out a more concrete response to the Union Budget and what stand to take in Parliament but initial indications are that the BJP will work in concert with the government on ticklish issues such as the Dunkel draft, further privatization and wooing of foreign investment albeit in "high technology areas."

Though the preliminary statement talks of employment-oriented development and self-reliance, its main thrust is

that India must look for an indigenous path, eschewing both communism and unbridled capitalism. Significantly, the Prime Minister, in a recent speech in the Lok Sabha also spoke of the need to find a third way. However, neither Mr Rao nor the BJP leaders have come out with a concrete framework for this "third option" so far.

Resolution on Kashmir

92AS0840B Calcutta THE TELEGRAPH in English
15 Mar 92 p 4

[Text] Sarnath, March 14: The BJP [Bharatiya Janata Party] today demanded that Pakistan be declared a terrorist state by the international community because of its admitted support to terrorism in Kashmir by supply of arms to separatists and by organizing terrorist training camps.

In a hard hitting resolution adopted by the national executive on the Jammu and Kashmir problem which could amount to internalizing the Kashmir issue, the BJP said, "The propaganda machinery of the government of India abroad must be strengthened and projection must be given to the Kashmir problem as one of terrorism inspired by Islamic fundamentalism."

The resolution reiterated the demand for a security belt all along the border to check infiltration and the setting up of regional councils for Jammu and Ladakh.

Obliquely admitting that the Kashmir problem to some extent was a result of the people, alienation of the people it said, "All our efforts should be made to establish the state administration's authority on the principle, 'governance with justice.' The authority of government must be established but misgivings of the Kashmiri people that they were being treated unjustly also must be removed.

Ekta yatra: Perhaps to offset the sharp criticism of the end of the ekta yatra, both within and outside the party, the national executive described the ekta yatra and its culmination in Lal Chowk as the most significant event in the last six months and said "The national executive hails the party president and this achievement."

But despite this belated congratulations to Dr Joshi, inner party discussions obliquely criticized the party chief for his "unstatesman like" behavior towards the end of the yatra, it is learnt.

It also called for the weeding out of "pro-Pakistan elements" in the state administration and the police and accused the Center of dragging its feet on this crucial issue despite the disclosures relating to the recent bomb explosion in the DIG's office.

Advani Meets Press

92AS0840C Calcutta THE TELEGRAPH in English
15 Mar 92 p 4

[Article by Manini Chatterjee]

[Text] Sarnath, March 14: The BJP [Bharatiya Janata Party], which has become the government's ideological partner-in-arms in demolishing Nehruvian socialism, is now seeking to pressurize Mr P.V. Narasimha Rao to abandon Nehruvian secularism as well, with Mr L.K. Advani lashing out at the Prime Minister's inability to "emancipate" himself from the shackles of "minoritism".

Sharply attacking the Prime Minister's recent statement in the Lok Sabha promising statutory status to the minorities commission, Mr Advani told newsmen today, "Just as in 1985 when Rajiv Gandhi made a major blunder on the Shah Bano case, Narasimha Rao will do the same (if he gives statutory status to the minorities commission). I hope he will reconsider the move and accept the BJP suggestion to set up a human rights commission instead."

Even while the BJP's draft economic policy currently under discussion endorses the government's economic reforms and advocates sweeping privatization on all sectors barring defence, Mr Advani made it clear that the BJP's support on the economic arena would be offset by its Opposition to the Congress(I)'s continuing "minoritism".

He made it clear that the BJP may be soft peddling the Ram Mandir issue but it had not yet given up "Hindutva" as a potent ideological weapon. The BJP will, thus, increasingly integrate its right wing stand on questions of economy and society.

This, it feels, would put the Congress(I) in a dilemma and fuel internal differences because it requires the BJP's support to push ahead with its reform programme but would have to turn to the Left-National Front pursuing its social objectives, particularly relating to the minorities.

Speaking at length on the subject, Mr Advani said, "The Narasimha Rao government's record on the political front has been very disappointing. While on the economic front he has shown some courage in correcting the distortions of the command economy structure, no such courage has been shown in the political front. On the contrary, he appears committed to carry on the distortions as reflected in the policies towards Kashmir, Punjab, Assam."

Enumerating the distortions, he said it was appalling that in a recent interview, the Prime Minister had spoken of a possible "special status" for Punjab. No previous Prime Minister had ever mooted such a dangerous proposal, he said.

Minorities commission: As for the minorities commission, Mr Advani repeatedly pointed out that though there was no mention of it in the President's address, Mr Narasimha Rao went out of his way to speak on it while replying to the motion of thanks on the President's address.

The BJP, he added, would oppose tooth and nail any move to give the minorities commission a statutory status. He pointed out that it was not clear whether the government aimed at giving it constitutional status in which case it required a two-thirds majority.

Riot control force: Mr Advani also criticized the government's move to have a composite riot control force and said it would only "inject the communal virus" into the police force and not help solve the problem.

In keeping with the anti-minorities theme, Mr Advani further said, "The BJP wants to warn that there are some organizations like Muslim League, MIM [Majlis Ittehadul Muslimeen] and their sympathizers in the Press who are creating an environment which reminds us of the pre-1947 divisive trends in the country.

"The government should realize that appeasement is not the way to solve the problems of minorities or promote socialism. Appeasement did not stop partition."

In this context, he referred to the large scale infiltration into West Bengal and northeast from Bangladesh, a point which will be amplified in the political resolution. A separate resolution on the Jammu and Kashmir problem released today also uses tough language and characterizes the Kashmir problem as one of "terrorism inspired by Islamic fundamentalism" and urges that Pakistan be "declared as a terrorist state by the international community."

Dual aim: The BJP's decision to step up the attack against the government on "political" issues appears to have a dual aim. At one level, the party has lost part of its "distinct" identity after the Narasimha Rao government hijacked its economic programme and a chunk of its support base.

By sharpening its attack on minoritism, the BJP wants to show that while it supports the government on economic issues, it is still an Opposition force to reckon with.

But the party also wants to pressurize the Congress(I) leadership to move rightwards on social and political issues. Mr Advani appeared to be goading the Prime Minister when he said, "The government has jettisoned the Nehruvian command economy—to that extent our response has been positive. But on the other questions, not only is he (PM) unable to emancipate himself from the post, but he appears to be persisting with it with greater vigor."

But this opposition is unlikely to lead to any crisis for Mr Advani who once again repeated that he did not think there would be any term poll.

A senior BJP leader was even more forthright on the new Congress-BJP relationship. Explaining away the apparent dichotomy, he said, "Since the government is implementing our economic policies, we support it. But since they are not following our political views we will oppose them."

Asked what the BJP would do if the Congress(I) started changing its political line, the leader laughingly said, "Then the Congress(I) will merge with the BJP. After all, we are a younger and more vibrant party."

Discussion of Economy

92AS0840D Madras *THE HINDU* in English
16 Mar 92 p 9

[Text] Sarnath (Uttar Pradesh), March 15. The call for a nationwide anti-Union budget agitation beginning from March 26 by the national executive of the Bharatiya Janata Party (BJP) at the end of the three-day deliberations brings into sharp focus the serious differences within the leadership over the party's attitude towards the economic policies and performance of the Narasimha Rao Government.

The decision comes in less than 24 hours after the former president and the Parliamentary Party leader, Mr. L.K. Advani, had given a pat to the Government for its new economic policies and characterized objections of his party to the reforms package as mere 'micro criticism'. Denunciation of the budget as a great fraud on Parliament as well as people by the executive is in sharp contrast to the compliments given by Mr Advani.

The fact that the press statement on the budget, released on behalf of the executive, does not refer to any of the amendments to the proposals of the Finance Minister that the party originally sought to suggest for action by the parliamentary wing further proves the differences.

The party chief, Dr Murli Manohar Joshi, who addressed the press at the end of the deliberations said that in the proposed nationwide agitation, the BJP would highlight the dangerous aspects of the budget and expose the hollow election promises of the Congress(I).

Economic model not finalized: It is on account of this tussle among the Swadeshi proponents and supporters of economic reforms that the executive failed to finalize the much talked about alternative economic model of the party. Dr Joshi, however, maintained that the executive could not complete deliberations on the economic agenda due to the illness of Mr T.N. Chaturvedi, one of the key members of the subcommittee set up by the party to draw up the plan.

The economic model of the party would be considered by the National Council of the party when it meets in Baroda next month. In the meanwhile the draft of the plan would be released for wider consideration within the party.

Draft on budget not approved: The draft on the budget which the executive considered but did not approve ultimately described the budget proposals as 'anti-growth, inflationary, anti-rural and anti-poor' and propose to move five specific amendments to them.

Though the adjectives used by the party draft to describe the budget gives an impression that it is an outright rejection, a close look at the amendments suggests that the BJP has no quarrel with the basic spirit of the budgetary proposals.

The amendments proposed were enhancement of allocations for rural development by Rupees 1,000 crore; adequate fiscal incentives to the cottage industry; raising of the income tax ceiling to Rupees 48,000 with restoration of all deductions available in the current year; and weighted deduction in corporate tax for employment generation.

The executive said revenue loss on account of the various measures suggested should be compensated through freeze of fresh recruitment and austerity measures; pruning of Cabinet strength and drastic cut in avoidable expenditure; and sale on non-essential Government lands for repayment of internal debt.

The Narasimha Rao Government had either initiated action or indicated willingness to act on all the measures suggested by the BJP national executive to make up for the loss of revenue if its amendments were to be accepted.

The BJP national executive's support for an unpopular measure like freeze in recruitment through an official resolution has come as a surprise. This has been interpreted as the party's willingness to go along with the Narasimha Rao Government on the tough economic steps.

In support of the contention that the budget is anti-growth and anti-poor, it had concentrated only on the organized corporate sector and proposed cuts of capital expenditure on development activities of Rs 3,000 crores in real terms.

"Neglect of rural and agricultural sector, on which two-thirds of population depends for their livelihood, demand base for the industrial sector, especially essential consumer goods is likely to be weakened, leading to recession" it said.

Questioning the Finance Minister, Dr Manmohan Singh's claim that inflation would come down from 12 to 7 percent, the party said additional excise duties and cut in import duty and likely fall in foodgrain production would push up inflation.

The self-financing attitude of the Union Budget would send wrong signals to States and would affect the interests of the rural and weaker sections. Withdrawal of tax concessions would discourage savings and prove counter-productive to growth.

The party expressed doubts over the proposal on partial convertability of the Rupee on the ground that contrary to expectations it would not boost exports. In the perception of the party the import bill would touch Rs 1.80 lakh crores because of Rupee convertability and this was nothing but backdoor devaluation.

The party opposed the entry of foreign capital in the stock market and said that it would result in competition between unequal partners, make secondary markets volatile and lead to dangerous takeover bids.

Political Resolution

92AS0840E Madras *THE HINDU* in English
16 Mar 92 p 9

[Quotation marks as published]

[Text] Sarnath (Uttar Pradesh), March 15. Denouncement of Government policies on Punjab, Assam and Jammu and Kashmir and severe criticism of the performance of Congress(I)-ruled States marked the political resolution adopted at the BJP [Bharatiya Janata Party] national executive on the final day today of its three day deliberations here.

The resolution basically reflects the views expressed by the party leader, Mr L.K. Advani, on Saturday when he had accused the Narasimha Rao Government of being prisoner of the past in pursuance of policies related to "minoritism" and urged him to break from the past legacy as he had done in the economic field.

Besides the Congress(I), the resolution made a brief reference to the state of the Opposition in the policy, that no attempt had been made to focus on the division among other Opposition parties.

"It is our view that just when national ethos needs to be redefined and rebuilt, security of the nation ensured, and Indian society protected and strengthened, the parties in Opposition, instead of addressing themselves to these tasks, are preoccupied with internecine and empty political struggles, or aimlessly attacking the policies of the BJP."

On the BJP's role as the main Opposition in Parliament, the resolution said the party would continue to act as a watchdog of the people's interests and "will place national interests and priorities uppermost, continuing undeterred on the path of formulating policies for the nation and for national good only."

The resolution did not endorse the demand from the party's Bihar unit to ask the Center to impose the President's rule in that State. The party leader, Mr A.B. Vajpayee, who released the resolution at a news conference said the BJP would take a view at the national level only after the party president, Dr Murli Manohar Joshi, undertook a tour to Bihar for a fresh assessment of the situation.

Mr Vajpayee said a delegation of party leaders would call on the Prime Minister, Mr P.V. Narasimha Rao, in the capital and demand that the Center ask the Bihar Government to submit a report on the law and order situation in the State. On a recent visit to Bihar he had found that the law and order situation had deteriorated beyond redemption, Mr Vajpayee said.

The resolution accused the Congress(I) of manipulating the political process in Punjab and said that the boycott of the polls by the Akalis had given the results an inbuilt fragility and imbalance. "The BJP would like to caution the nation that in the countermanding of the elections in Punjab in 1991, we have done that which in the coming decades is going to haunt our policy. In that folly lies the genesis of the elections of 1992."

The resolution said implementation of the Longowal Accord would be a positive step towards restoration of political normality in Punjab. And, with the Congress(I) in command both in the States of Haryana and Punjab the ruling party could have no excuse not to honor the Accord.

Mr Vajpayee said the talks between the Akalis and Congress(I) on the package for Punjab before the recent elections broke down on the question of Article 356. While the Akalis insisted on a promise from the Center that Article 356 would not be used against the State, the Center was not prepared to give a categorical assurance.

PTI, UNI report:

Center-State ties: Mr Vajpayee demanded the 'restructuring' of Center-State relations and said the States should be given more financial autonomy to take up development work. He emphasized the need for speedy implementation of the Sarkaria Commission report on Center-State relations even though it was "not radical."

Asked what in his view was "radical", Mr Vajpayee said that it included all subjects except three important ones—defence, external affairs and communications. But he hastened to add that the BJP was opposed to it. Even the States did not want such a radical measure. All they want was adequate funds to carry on development activities.

"Do not sign NPT: Mr Vajpayee said India should not sign the nuclear non-proliferation treaty (NPT) as the issue was a global one. However, he was not averse to India having bilateral talks with any country, be it the United States or Pakistan on the nuclear weapons issue.

"I am in favor of a global solution as it is a global problem," he said.

BJP Lok Sabha Member Becoming a Nun

92P40178A New Delhi JANSATTA in Hindi 8 Apr 92
pp 1, 12

[Article by Alok Tomar: "Having Won the Fight, Now Uma Bharati Will Turn Her Attention to Monasticism"]

[Text] BJP [Bharatiya Janata Party] parliamentarian Uma Bharati, having won her battles within the party, now wants to turn her attention to spiritual practices for a while. Today, she informed party president Dr. Murli Manohar Joshi in a letter that she will be taking sannyas [entering into a state of formal asceticism].

For the last six months, Uma Bharati has been struggling with Madhya Pradesh Chief Minister Sundarlal Patwa and other powerful party leaders. These leaders have alleged that her brother committed robbery, murder, and rape. According to Shushri Bharati, these [leaders] want to take over Uma's election constituency and these allegations were instigated by parliamentary secretary Surendra Pratap Singh alias Baby Raja. Now, an investigation has revealed that the lawsuits [which were filed against Uma] were fictitious and further, that they were deliberately invented to harass Uma Bharati. According to party sources, those responsible will be punished and Baby Raja has been removed from his secretarial position. It is not yet clear what effect this might have on the political status of Chief Minister Sundarlal Patwa but it is certain that he has had to eat his own words.

Another BJP front opposing Uma Bharati has also formed in Madhya Pradesh. This campaign is being led by party chairman Kailash Sarang and Kushabhau Takare. They have gone as far as starting a rumor that she has been having an affair with one of the chief secretaries in the party. Uma Bharati is very hurt by this and included a reference to it in her letter to Joshi. Yet Kailash Sarang has received complaints from party workers calling for her resignation and has agreed with them.

Uma Bharati was under a lot of continuous pressure. In her letter today, she wrote: "After the formation of a government in Madhya Pradesh, legislators, parliamentarians, workers, and ministers started to express contempt and to talk. This was calculated. I didn't understand it though. When I first confronted the legislators and parliamentarians over this, I then received this punishment [the allegations]. There was unwarranted interference in my Lok Sabha constituency and I became crippled through efforts of the administration. The ministers were told not to follow my instructions. When this didn't work out, the party chairmen told me to keep what I say to a minimum."

In regard to Govindacharya [the secretary with whom Bharati allegedly had an affair], what is the truth? Many people spread rumors about others in order to save themselves. Was Govindacharya caught in such a web? I am satisfied that these people have also been embarrassed. Even if they have been saved from punishment, their involvement is punishment enough.

Uma Bharati has written, "This odious side of politics is new for me but it is my own people [fellow BJP members] who have done this to me. It's due to this that the

party wasn't ready yet to sit in parliament [as a majority]." Uma further wrote, "If I return after taking sannayas, I will fight for the building of the Ram Janambhoomi Mandir and for the rights of the poor."

Miss Uma Bharati wrote in a quite restrained style but events can be read between the lines. This is why her 3 January 1992 letter to Chief Minister Patwa should be read carefully. The letter's language was very aggressive. In the letter she wrote, "After I came into BJP, I was reminded that I was a Lodhi [caste group] and had been sent into the Lodhi election district as an advertisement. Now, if Lodhis bring their requests to me, what can I do? Can I tell them that I'm through exploiting them?"

In the letter addressed to Patwa, Uma alleges meddling on the part of Baby Raja "He exercises authority over all the state's workers. He promised cream of milk [payoffs] to some of the criminal elements if they would make it seem as though I had committed suicide due to a broken heart."

According to published accounts, Uma did indeed attempt suicide by self-immolation. She was nursed back to health in BJP parliamentarian Dr. Jitendra Kumar Jain's nursing home and rumors flew over who maintained her. Dr. Jain and Vijayaraje Sindhiya [who brought Uma into politics] failed to stop these rumors.

Indian People's Front Holds National Meet

92AS0825A Bombay THE TIMES OF INDIA
in English 26 Feb 92 p 10

[Article by G. V. Krishnan: "IPF Adopts New Constitution"]

[Text] Vijayawada, February 25. The national conference of the Indian People's Front (IPF), which ended here yesterday, adopted a new constitution that would result in a structural change in the organisational set up. Mr. Nagabhushan Patnaik was re-elected president and would hold office till the organisational changes were effected.

The new constitution empowers the IPF president to nominate or dismiss office-bearers and induct new faces into the organisation. It also provides for his impeachment.

The IPF has also given up the process of decision-making by holding national conferences in favour of a committee system providing for biennial meetings of the all-India front committee (AIFC) of the IPF.

The Vijayawada decision on the party set-up represents a radical departure from the style of functioning of other left parties. In fact, the IPF constitution is based on the Congress model. The idea is to reorient the party organisation to enable the IPF to intervene in mainstream politics.

According to the IPF organising general secretary, Mr. Deepankar Bhattacharjee, the present constitutional provisions insulated the IPF from the political mainstream. He said that in the prevailing political scene, the IPF needed a constitution providing for an organisational structure that reacted swiftly to the changing situation.

The new constitution sought to give ample powers to the party president to take prompt action in matters pertaining to inducting new faces, accommodating organisations with compatible programmes and expelling undesirable elements in the IPF. Under the proposed system, the national president would be elected by an all-India front committee, instead of the delegates to the national conference.

The conference was the fourth since the IPF was formed and the first to be held in a southern state. Besides, the AIFC sessions once in two years, the IPF would hold plenary sessions whenever the leadership found it necessary to do so.

The AIFC would be the apex body in a hierarchy of committees at the state, district and block levels. The national committee would have 20 percent members of the state front committees, which in turn would comprise 25 percent of the district committee members. The district-level committee would comprise one-fourth of the block committee members who would be elected by the active members.

The critical amendments relating to the adoption of the front committee system and enhanced powers of the IPF president were voted on separately before the constitution was adopted after a two-day debate. During the debate, serious misgivings were expressed by several delegates, including some in the presidium and the steering committee.

While the "no-changers" expressed the view that the new constitution gave too much power to the president, the prime movers represented by Mr. Bhattacharjee maintained that the additional powers were necessary to make the organisation responsive to situations calling for prompt action and to enable the president to function effectively.

It was not as if the president enjoyed autocratic powers, said the pro-changers, adding that all presidential decisions were to be ratified by the working committee at its subsequent meeting. Besides, the new constitution provided for the impeachment of the president by the AIFC if 25 percent of its members gave a notice of motion for his removal and 50 percent members voted in favour of the impeachment motion.

The amendment on presidential powers was adopted with 100 delegates opposing the move and 342 delegates voting in favour. When the new constitution along with the carried amendments was put to the vote, it was supported by 343 while the opposition dropped to 59.

Minister Announces 5-Year Export-Import Policy

31 Mar Press Conference

92AS0923A Madras *THE HINDU* in English 1 Apr 92
p 7

[Article: "New Exim Policy Relaxes Restrictions"; quotation marks, boldface words as published]

[Text] New Delhi, March 31. The new five-year Export Import Policy, announced by the Government to be coterminous with the Eighth Five-Year Plan—April 1, 1992 to March 31, 1997—has removed 'unnecessary controls and restrictions' on trade an 'except for a limited number of items specified in the negative lists,' all exports and imports have been freed from bureaucratic controls.

Unfolding the policy at a press conference here today, the Minister of State for Commerce, Mr. P. Chidambaram, who tabled a copy of it in Parliament earlier in the day, said the new trade policy combined stability with liberalisation. Besides attempting to balance imports and exports, the policy would also encourage better technology, greater investment and more efficient production.

Exportable surplus: In response to a question about the policy's impact on exports in quantitative terms, Mr. Chidambaram said it would be unsafe to specify any target. Generation of exportable surplus depended on the growth of industry and agriculture and if that happened then exports would also pick up. However, he said, it was possible to sustain a combined export-import growth at 20 percent of GDP [gross domestic product] and still aspire for a contribution to the overall economic development.

Mr. Chidambaram said the Government would introduce tomorrow or the day after in the Lok Sabha the Foreign Trade (Development and Regulation) Bill 1992 to replace the Import and Export (Control) Act 1947. The law relating to foreign trade would comprise the new Act, rules and orders made thereunder and the new export and import policy. Violation of the law would attract monetary penalties, confiscation of goods and/or suspension or cancellation of licence.

He said in introducing the Bill and making the new policy, the Government acted on the principle of trust. He said, "We trust that trade, industry and business will respond positively to the policy initiatives taken by the Government. We trust that their behaviour will be rational and responsible." According to Mr. Chidambaram, the Government looked forward to working closely with trade, industry and business to achieve the new goals.

Initiatives: The policy contains a number of new incentives for generation of exports. Duty free imports relating to export production have been liberalised and import duty on capital goods reduced with increased

export obligation. While deemed exports have been accorded favourable treatment, the policy has virtually eliminated canalisation of imports. Except for some petroleum products, edible oils, fertilizers and cereals all other items have been decanalised. Newsprint has not only been canalised but the procedure for its import has been considerably simplified. Corporate objectives of the canalising agencies, STC [State Trading Corporation] and MMTC [Minerals and Metals Trading Corporation], will be recast in the light of the new policy and henceforth they will have to function as any other trading house.

According to Mr. Chidambaram it has been notified that the present procedures will continue for 30 days and the new ones will take their place on May 1, 1992. In this context, he said "what has been given in large prints (policy document) cannot be taken away in small prints" and added that "the new procedures will ensure that." As regards the possibility of exports picking up fast because of the new policy, he said, "I pray for the recovery of India and also for our major trading partners in the EC, the United States and Japan of whom some were under serious recession."

But will the new policy not lead to a run on the country's foreign exchange reserves to pay for imports available on the free list? Mr. Chidambaram replied that his Ministry had worked out the impact and found that on merchandise side the requirement was for \$13 billion to finance the country's import. "Our calculation of 60 percent under the LERMS [expansion not given] showed that it would be possible to achieve that."

The new policy reinforces the changes made in trade policy in July and August 1991 respectively and also seeks to complement the changes made in the industrial and fiscal policies. It substantially eliminates licensing, quantitative restrictions and other regulatory and discretionary controls. All goods will be allowed to be imported or exported freely except for two negative lists which have been kept 'as small as possible.' Any change in it would be effected once in a quarter unless there is an emergency.

Due to social, economic, environmental and political reasons a small number of goods have been placed in the negative list. As for trading in canalised goods, the Government has decided to licence others also in that area.

Trade welcomes policy: Leading chambers of industry and trade have welcomed the new trade policy. According to the CII [expansion not given] president, Mr. Dhruv Sawhney, it was a major step towards integration of India into the global economy. He welcomed the decanalisation of imports of engineering and allied industries and flexibility in imports since the actual user condition had been waived. The president of the FIEO [Federation of Indian Export Organizations], Mr. Kishor K. Shah, complimented the Commerce Minister for presenting a balanced policy which he felt would revive

the country's exports. Instead of the usual four-volume policy document, the Commerce Minister had managed to package the policy in just 85 pages which was indicative of the novel and bold step towards debureaucratisation. The FICCI [Federation of Indian Chambers of Commerce and Industry] president, Dr. V. L. Dutt, said the new trade policy was another milestone in the process of liberalisation and it reflected the confidence of the Government in trade and industry of the country.

Highlights of Policy

92AS0923B Madras *THE HINDU* in English 1 Apr 92
p 1

[Article: "Highlights of New Export, Import Policy"]

[Text] The following are the highlights of the new export-import policy announced in Parliament today:

General

Trade is free, subject only to a Negative List of Imports and a Negative List of Exports.

Stable policy for five years 1992-97. The aim is simplicity and transparency.

Imports

Negative List of Imports is the smallest-ever. Consumer goods will continue to be under restraint.

Import of three items banned, 68 items restricted, eight items canalised.

Special import facilities for hotels & tourism industry and for sports bodies.

Exports

Negative List of exports pruned, seven items banned, 62 items subject to restrictions, 10 items canalised.

Export of 46 items permitted with minimum regulation.

Raw materials

Imports liberalised. Barring few items, no longer in Negative List of Imports.

Advance licences

Value-based Advance licence introduced.

Self-certification Advance Licence available for Export Houses, Trading Houses and Star Trading Houses.

All licences under duty exemption schemes transferable.

Diamonds, gems and jewellery

Existing schemes continued with little modification.

EOUs [expansion not given]/Units under EPZs [Export Processing Zones]

EOU scheme and EPZ scheme liberalised.

Schemes extended to agriculture, horticulture, aquaculture, poultry and animal husbandry.

Inter-unit transfers allowed.

Permission to instal machinery on lease.

EOU/EPZ units may export through Export Houses, Trading Houses and Star Trading Houses.

Licensing

Negative Lists to be administered, as far as possible, by general schemes. Case-by-case licensing will be minimised.

Actual User condition eliminated except in a few special cases.

Capital goods

Import of capital goods liberalised. No longer in Negative List of Imports.

Second hand capital goods allowed. In some sectors without licence, in others under licence.

Export Promotion Capital Goods (EPCG) scheme liberalised. Two windows opened for concessional duty imports:

Rate of concessional Customs duty	Export Obligation	Period for fulfilment of export obligation
25% CIF [cost, insurance, freight] Value	3 times CIF Value	4 years
15% CIF Value	4 times CIF Value	5 years

EPCG schemes extended to components of capital goods, with concessional customs duty of 15 percent.

Deemed exports

Definition of Deemed Exports streamlined. Supplies to EOU/EPZ units, supplies against EPCG licences and supplies against Advance Licences will be deemed exports.

Export promotion councils, export houses, trading houses and Star trading houses

Crucial role of EPCs, Export Houses, Trading Houses and Star Trading Houses recognised.

Importer-Exporter Code Number is basic requirement.

Registration-cum-Membership Certificate (RCMC) by EPCs is a basic requirement for benefits and concessions under new policy.

Special import licences

Three categories eligible for Special Import Licences:

Deemed Exports

Export Houses, Trading Houses and Star Trading Houses

Manufacturers with ISO 9000 or BIS 14000 certification.

Quality

National campaign for quality awareness to be launched.

Laboratories/Testing Houses to be upgraded and accredited.

Procedure

Handbook of Procedures will be published on 1st May 1992.

Procedures will be simple, transparent, and easy to administer.

Government Said Inviting Economic Crisis

92AS0862A New Delhi JANSATTA in Hindi 10 Apr 92
p 6

[Article by Karishna Chandra Jha: "We Have Invited the Crisis; Now Who's Going To Solve It"]

[Text] India is not a banana-producing small Caribbean country. Still, in spite of its vast economic structure and internal strength, its economy has entered a tunnel full of explosives. When the majority of a society's population is ignored and economic policy takes the wrong route, becoming imbalanced, then it usually leads to a political upheaval resulting in major change. This then leads to the division of a country due to regionalism, linguistic diversity, factionalism, and the caste system. This is basically caused by economic problems. However, two major historic incidents took place in spite of a strong economy, but because of a haphazard administration: the world-famous Boston Tea Party incident that started the American war for independence and the assassination of the French emperor by a mob in the French revolution. Famous French researcher Jean Alphonse Banai, who wrote a book on economics in South Asia, has hinted of widespread problems in the Indian economic system. While discussing the era from V.P. Singh's departure from government to the present unrest in the central government, he wrote that the position of a budget in the huge mansion of the economic system is like that of a maid. This maid's duty is to keep track of daily expenses. However, when extravagance take over, this maid becomes the mansion's owner. This especially happens when the mansion is ready to crumble.

As a result of these extravagant wastes of money in the name of development, the Indian economy has a debt of \$87 billion, according to conservative guess. The Indian

Government is begging for leniency in front of the World Bank and the IMF in payment of interest. Still, the seriousness of this dangerous situation is being ignored, and these debts are being shown to be the result of the Gulf war and increased oil prices. The sole slogan of "increase exports" is being heard everywhere as a solution.

The danger that was only at the central government level has spread to other levels within seven or eight months. High prices and recession can be seen in the markets simultaneously. The price of gold is increasing and decreasing every day like a balloon. It is rumored that the government is thinking about changing the present gold reserve into bonds. Fixed deposit accounts are being closed rapidly. The situation of state governments is even worse. They are not even able to pay salaries to their employees. The activities seen in the markets at the district level because of money from development projects has ended now. A nationwide strike was observed against the industrial policy. After cuts or a total stop of various development projects and the end of various jobs dependent on these projects, we have to see how these people whose jobs depended on these projects will express their anger.

The Congress government is hiding its face like a turtle from the two important elements of export and privatization and is trying very hard to rise from this catastrophe. The strategy employed by the opposition is even more dangerous. Even if we eliminate a social divider like Manmohan Singh, the Congress Party and the opposition still do not have any room for cooperation in the economic system. It was Manmohan Singh who had been the controller of economics during Rajiv Gandhi's, V.P. Singh's, and now Mr. Narasimha Rao's rule. He was the governor of the Reserve Bank when this era of pushing the nation into the dangerous tunnel of insolvency began. At that time, India's economic system and its most stable components became the cowardly slave of the finance ministry. It is not coincidental that the internal loan of the Indian Government is over \$1.2 billion. Money from banks and insurance companies, monies invested in pension funds, and any other remaining money was used to meet government expenditures.

This way, by destroying the roots of all the hard work of various social sects and political philosophies and establishing a huge bureaucratic labyrinth, the so-called socialist governments that started during the Nehru-Indira era had only succeeded in creating a bureaucratic, technocratic, and political group that depended on others. Nothing else has been done. The fact is that all the evil results of those efforts are facing us now. The so-called left wing, or any political threat that comes within its sphere, does not have the ability to attack this bureaucratic system. Then there is the leader of the bureaucracy. How can he oppose the bureaucratic system? As a temporary measure, we have discovered the prescription of increasing exports and accelerating privatization. This, however, will prove to be nothing but an

equivalent to jumping into the midstream. The work that the unchecked expansion of bureaucracy had done in borrowing money from other countries must be stopped. At present, just to keep the bureaucracy alive, an attempt to export all our production and minerals will put us in the ranks of Bangladesh and Ethiopia.

In spite of a strong ideology and being the leader of a bloc of nations as a superpower, the Soviet Union reached this level because of its huge bureaucracy and a social sect that depended on others. If that can happen to the Soviet Union, then it can definitely happen to India. This huge bureaucracy was established, expanded, and is still being expanded to establish a so-called welfare society. We should not forget that our bureaucracy is larger than even that of the Soviet Union. If we take a quick look at the waste and deficits of various Indian governments over the last 20 years, we will find that there had been an unchecked increase in the bureaucratic system. In 1970, the total budget of all state governments was 42.1 billion rupees and the combined deficit was only 1.3 billion rupees. In 1980, these figures reached 218 billion rupees and 9 billion rupees, respectively. In 1989, the total budget was 387 billion rupees, and the deficit was 19.6 billion rupees. In 1990, the deficit had reached 40 billion rupees. Similarly, the total budget of the central government was 58.7 billion rupees (1970), 222.6 billion rupees (1980), 460.2 billion rupees (1985), and the budget deficit increased from 2.8 billion rupees to 25.8 billion rupees (1980), and it went to 61.1 billion rupees in 1985. These deficits are the basic reason for the serious economic situation at present.

The statements and interviews given by V.P. Singh in 1985 previewed this dangerous situation. Our government revenue just meets the nondevelopment expenditure of the government. All development plans are supported by borrowed money. These loans cost us a lot in the long run. If this price is 90 percent, then the 1- or 2-percent income from this money will not last many days. There are only three options left: cutting development plans, increasing taxes, or borrowing more money. However, we have already overextended these three options. What is the real understanding of V.P. Singh in this context? This can be a subject for research by an investigative reporter or for the sociology of ethics.

Even if we forget the development plans and their long-term benefits, the history of nondevelopment expenses is not brief, either. The fact is that in spite of two wars and a disastrous famine, the Indian economy during the 1970's was considered very well-managed because its deficit was less than 2 percent of its GNP [gross national product]. It had debts around \$25 billion, the weight of which was borne by 10 percent of exports. Savings were around 23 percent; however, after the 1970's, as governments changed rapidly and an autocratic family's rule was established, a huge bureaucratic army was recruited in order to control the economy and to try to establish a socialist system using such popular slogans as "eradicate poverty." This way, thousands of

bureaucratic networks were expanded for the distribution of serfdoms, establishment of various government departments to satisfy ambitions and provide paths for corruption, and establishment municipalities and various departments in the name of rural development. District county offices and minor regional offices have increased in number and are still being expanded. More officers and bureaucrats are being appointed. As a result of all this, the deficit of our central government's budget has reached 9 to 10 percent.

The government's fiscal gaps are created as a result of unprecedented increases in the central and state government's expenses. During Indira Gandhi's second term, this increase averaged 20 percent each year. So-called nondevelopment expenses were increased rapidly and are still increasing unchecked. During the 10 years between 1975 to 1985, the amount of interest payments increased 494 percent, or about fivefold. At the same time, subsidies for food grains increased 941 percent, or nearly tenfold. In spite of some minor efforts in combining the military pension system with the civilian pension system, the defense budget increased 317 percent, and the present defense expenses have reached 71.37 billion rupees. The 40 to 50 billion rupees spent in subsidies for food grains, fertilizers, and pump sets were actually spent mostly on the corrupt activities of the cooperative banks and organizations that dealt in agricultural production.

This way, even by a liberal account, the loans of 87 billion rupees were spent on the last four five-year plans. Whatever activity is being seen in this area is from the debts. Is this its last phase? In the areas of agriculture, irrigation, and rural development, and in the name of development in the villages, a lot of corrupt activities took place and resulted in unofficial expansion of the cities, which is still going on. The only benefit to the Indian society from all these activities was that the following categories of people became very rich: engineers, government contractors, politicians, bureaucrats at all levels, criminals receiving protection taxes, robbers, and the underworld spread in all metropolis. What else, besides totally destroying our national treasury and making the whole administrative system ineffective, did the government do for our people? Why do we love this bureaucratic system, which erects paper barricades in all development plans at the Center and state levels, and devours the whole development budget?

Sharp Reduction in Trade Deficit Announced

92AS0925A Bombay THE TIMES OF INDIA
in English 14 Apr 92 p 13

[Article: "Trade Deficit Shows Sharp Reduction"]

[Text] New Delhi, April 13 (PTI). The trade deficit at the end of the 11 months of 1991-92 has shown a sharp reduction with the exports to the general currency areas (GCA) showing a modest growth of 6.86 percent in dollar terms.

Announcing the export figures, the commerce minister, Mr. P. Chidambaram, said the trade deficit had come down to Rs.[rupees]3,986 crores or \$1,637 million at the end of 11 months.

Both in rupee and dollar terms this was a sharp reduction from last year's level and the year is expected to end with a trade deficit of less than \$2 billion compared to \$5.9 billion in 1990-91, he said.

The decline in imports, he said, continued to be a little over 20 percent in dollar terms and exports to rupee payment areas were still constrained by external factors.

He said February was the best month with exports to GCA countries touching \$1,564.68 million or Rs. 4,007.66 crores.

The minister told presspersons that for the first time in 11 months exports have crossed \$1.5 billion and in rupee terms crossed Rs. 4,000 crores.

Mr. Chidambaram said the government's general assessment that exports to GCA would show a modest but clear trend of growth was proving to be correct.

He said the growth rate was around six percent and in February "we have gone half a step above." The growth rate at the end of the year could well be 6.7 percent or so which is better than the six percent achieved in the earlier months.

The minister said export to rupee payment area [RPA] countries were affected in February registering only Rs. 222.59 crores. This was because the number of countries "with which we do RPA trade has come down." The Russians have not really begun trade with India and "things have not taken off."

Mr. Chidambaram said a Russian delegation was currently here and holding talks and an advisor to President Yeltsin is likely to come here in May.

The minister said this year's RPA trade could not be compared with last year because several republics have started trade in hard currency.

Meanwhile, the commerce ministry in a press release described as "misconceived and baseless" reports alleging that the prices of Virginia tobacco at the auction platforms in Andhra Pradesh had fallen since the ministry had not released export quotas of the tobacco.

The press note said, "the export of non-Virginia tobacco is freely allowed and there is no allocation of quota ever made by the ministry of commerce."

Mr. Chidambaram said, "We do not grant any export order or export licences. Ministry of commerce does not come in the picture."

The press note said that there was a provision of 25,000 tonnes of non-Virginia tobacco in the Indo-Russian protocol for 1992. Against this trade plan, the Russians

have contracted to purchase 15,000 tonnes and the arrangements for the purchase of the remaining quantity is yet to be made by them.

"The government of India does not come into this arrangement in any way. Hence the question of releasing order to the traders or to the farmers does not arise. It is open to the Russians to make purchases up to the trade plan provision in terms of the 1992 trade plan protocol," it said.

Talking about his recent visit to the United States, the commerce minister said the government was aiming at a foreign direct invest of more than \$2 billion every year through new ventures.

Mr. Chidambaram was confident that several U.S. companies would come here in May or June to look at specific investment opportunities.

He said now there was greater confidence in the United States that the reforms brought in here were irreversible and India meant and needed business.

Mr. Chidambaram said one merchant banking company managing Euro issues had said if the issues went well then public sector companies could raise money abroad in the form of equity.

Describing his visit as good, Mr. Chidambaram said there was tremendous interest in India and in the electronic industry in India was rated among the top along with Ireland and Israel. He said in the seminar at Chicago 21 Indian companies had participated and it was very successful.

Excerpts From Pre-Budget Economic Survey

92AS0831A Madras *THE HINDU* in English 28 Feb 92
p 7

[Article: "It Was an Exceptionally Difficult Year"]

[Text] The following are excerpts from the "Performance and Prospects" chapter of the pre-budget economic survey:

The year 1991-92 has been an exceptionally difficult year for the economy with the deepening of the crisis which began in 1990-91. The balance of payments problems, which emerged in 1990-91, had reached crisis proportions by June 1991. A severe import squeeze, introduced in the course of 1990-91 in response to the shortage of foreign exchange, disrupted industrial production, which began to decline early in the year 1991-92. Inflation, which had begun to accelerate in 1990-91, reached a peak level of 16.7 per cent in August 1991. Growth of real GDP [gross domestic product] decelerated sharply and is likely to be no more than 2.5 per cent this year.

The new Government which assumed office in June 1991 took a series of corrective measures to bring the situation under control. These included short-term measures aimed at crisis management as well as longer-term

measures of structural reform aimed at improving efficiency and productivity and putting the economy back on the path of sustainable growth with equity and social justice.

Growth Performance

The growth of the economy slowed down substantially in 1991-92, partly because of a slowdown in agriculture and partly because of a deceleration in industrial growth. The kharif foodgrain crop in 1991 is estimated to be lower than in the previous year, though some of the loss may be made up in the rabi season. Aggregate agricultural production for the year may not show a decline as the fall in foodgrains production is likely to be offset by a rise in the output of cash crops. For instance, the prospects of the sugarcane crop are excellent, and this year's mustard crop is reported to be good. Nevertheless, agricultural output this year is at best likely to be maintained at last year's level, or show very small growth.

Industrial growth, which had been buoyant in earlier years, had already slowed down considerably in the second half of 1990-91 before turning into a decline by the beginning of 1991-92. The index of industrial production in April-June 1991 was 2.3 percent lower than a year earlier. The next quarter showed a modest growth of 0.5 percent, but the following two months again showed a decline of 1 percent. The decline in the period of April-November was 0.9 percent.

All major industries except beverages, tobacco and cement recorded a lower growth rate in April-September 1991 than in the same period a year earlier. Three categories of industries, viz, capital goods, consumer durables and export-oriented industries were particularly affected. Capital goods industries suffered primarily from a decline in Government investment. The consumer durables sector was adversely affected by high costs of imported inputs following the exchange rate adjustment in July 1991 and the non-availability of imports owing to the import squeeze. Export-oriented industries were faced with recessionary conditions in the industrial economies and a dramatic collapse of demand in the markets of the erstwhile Soviet Union.

The performance of the infrastructure sector, however, was much better than that of manufacturing industries in general. The output of coal in April-December 1991 was 10.9 percent higher than in the previous year; that of electricity was 9 percent higher. Performance in the petroleum sector was relatively poor, with crude oil production down by 7.1 percent and refinery throughput by 2.1 percent. However, overall energy production was 5-6 percent higher in 1991-92. Railways' revenue

earning freight traffic was 7.5 percent higher in April-December 1991. This respectable performance of infrastructure industries suggests that the industrial recession, which has certainly been sharp, need not be prolonged. The underlying supply factors affecting industrial production are performing well and could sustain a quick industrial revival in 1992-93.

Amongst services, financial services are likely to do well, as also transport services. The prospects of construction in the current year are also good judging from trends in cement offtake. These indicators suggest a fairly robust growth in the output of services of perhaps 5-6 percent. With these estimates of sectoral growth rates, the gross domestic product may show modest growth of about 2 percent or a little higher in 1991-92.

This sluggish performance, coming after several years of rapid growth is to be viewed in the context of exceptionally difficult conditions in two respects; a grave external payments crisis and a high rate of inflation. Both reached their peak in the middle of 1991. Foreign currency assets had declined to Rs.[rupees]2383 crore (U.S. \$1.1 billion) at the end of June 1991, which was barely enough to finance two weeks of imports. The annual rate of inflation, which began to accelerate in 1990, reached a peak of 16.7 percent in the fourth week of August 1991.

The new Government moved rapidly to implement a programme of macro-economic stabilisation to restore viability to the balance of payments and to bring inflation under control. It also undertook a far-reaching programme of structural reform, which included bold initiatives in trade and industrial policy aimed at improving the efficiency of the economy and increasing its international competitiveness. This restructuring was essential to ensure longer-term viability in the balance of payments and to restore the conditions for rapid growth.

The measures have had some success. There has been a marked improvement in foreign exchange reserves, with reserves reaching Rs. 11410 crores (\$4.4 billion) in the third week of February 1992. The rate of inflation has also declined from the peak level of 16.7 percent reached in August 1991 to 11.8 percent in February 1992. However, neither the balance of payments crisis nor the problem of inflation has been overcome. A lasting solution to these problems calls for sustained corrective action which must continue to receive top priority in 1992-93. The objective of policy in the coming year must be to consolidate the gains made thus far and to bring these problems firmly under control, while simultaneously raising the rate of growth, and restoring the Government's capacity to pursue the basic social goals of generating employment, removing poverty and promoting equity.

Key Indicators			
		Provisional	
	1989-90	1990-92	1991-92
	(percentage change over previous year)		
Gross national product (1)	6.1	5.8	2.5 to 3
Gross domestic product (1)	6.0	5.6	2.5 to 3
Agricultural production	2.1	2.6	0.0*
Foodgrains production	0.6	3.0	-1.5*
Industrial production (2)	8.6	8.5	-0.8(3)
Electricity generated	10.8	7.8	9.0(4)
Wholesale price index (5)	9.1	12.1	11.8(6)
Consumer price index for industrial workers (7)	6.6	13.6	13.1(4)
Money supply (M3)	19.4	14.9	14.9(8)
Imports at current prices (in rupees)	25.4	22.0	7.0(9)
Imports at current prices (in U.S. dollars)	9.1	13.2	-20.7(9)
Exports at current prices (in rupees)	36.8	17.6	28.1(9)
Exports at current prices (in U.S. dollars)	19.0	9.1	-5.0(9)
Foreign currency assets (rupees crore)	5787	4388	11410(10)
Foreign currency assets (U.S. \$ million)	3368	2236	4395(10)

* Anticipated

1. New series at 1990-91 prices

2. Based on old index (1970-71 = 100) for 1980-81 and new index (1980-81 = 100) thereafter

3. April-October 1991

4. April-December 1991

5. Old index (1970-71 = 100) up to 1981-82 and revised index (1981-82 = 100) thereafter to 1981-82

6. April 1991-January 25, 1992

7. Old index (1960 = 100) up to 1982-83 and revised index (1982 = 100) thereafter

8. April 1991-January 10, 1992

9. April-November 1991

10. As on February 20, 1992 for 1991-92 and at the end of March for past years

Export Strategy

Four types of adjustments are called for a broad-based, rapid and sustained growth of exports in the next four years.

(a) Reduction in domestic excess demand: the balance of payments deficit represents the excess of domestic demand for goods and services over domestic supply. In order to correct it domestic demand will have to be restrained and supply increased. Since the macro-economic imbalance is also the basic cause of inflation, this is dealt with more fully in the next section. It will be necessary to restrain the degree of excess spending by the Government to correct the balance of payments. At the same time it will be necessary to ensure that any reduction in aggregate demand is brought about without hurting production and that it is shared equitably by different sections of the population.

(b) Enhanced Competitiveness: by mid-1991 domestic prices had become seriously misaligned with international prices. This required two changes: a change in the exchange rate of the Rupee, and a reduction in the relative prices of those products which were costly vis-a-vis competing goods abroad. The first step was taken by means of a downward adjustment of about 18 percent in the external value of the Rupee on 1 and 3 July 1991. The second step would require a phasing down of import restrictions and a reduction in the high levels of protection which characterise Indian industries. Progress in this regard is at present constrained by the grave balance of payments position as well as by the importance of import duties as a source of government revenue; however, it will be necessary to bring down trade restrictions as payments and fiscal conditions permit.

(c) Deregulation: One of the obstacles to exports lies in the cumbersome administrative procedures involved, arising from controls over imports (and on inputs required for exports) and exports, exchange control and

also customs procedures. The Eximscrip scheme was designed partly to reduce the rigours of import control. Trade and customs classifications of goods were harmonised in October 1991, and new, simplified documentation of import control and customs was introduced. Simultaneously with the devaluation of the Rupee, Cash Compensatory Support for exports was withdrawn, thereby eliminating the work involved in its administration. Simplification of trade-related procedures must continue; the aim should be to make international trade as easy as domestic trade in respect of procedures.

(d) Capability for self-improvement: World markets are more competitive than some hitherto sheltered domestic markets. If our agricultural and industrial products are to compete internationally, their producers will have to improve their own competitive position continuously through technological and managerial improvements and adapt themselves rapidly to changes in international market conditions. This capacity for unceasing adaptation and innovation would need to be developed.

Inflation Control

The current inflationary spiral began in October 1990. In August and September 1990, the annual rate of inflation, as measured by the wholesale price index on a point-to-point basis, was only about 7 percent. From October onwards it rose rapidly to reach 13.7 percent in February 1991. After a brief slowing down in April and May, this process of accelerating inflation continued until August 1991, peaking in the fourth week of that month at 16.7 percent. Since then the rate of inflation has declined; by the end of January it had gone down to 11.8 percent.

The causes of the current round of inflation need to be understood clearly if we are to control it effectively. A number of demand-pull and cost-push factors have been mentioned as potential causes. On examination, excess demand is found to be the more important cause. This is indicated by the pattern of price changes, with primary commodities, particularly agricultural goods, leading the inflationary surge. Manufactured goods prices have not even kept pace with average inflation, and have lagged well behind the rise in agricultural prices. The intersectoral terms of trade for agriculture improved by 15 percent vis-a-vis industry between April 1991 and January 1992.

Along with demand-pull factors which are more important, supply factors have also played their role in the current inflationary process. Supply factors determine the pattern of relative price changes, as overall excess demand puts greatest pressure on prices in sectors which have low elasticity of supply or which face supply constraints. At the start of the current inflationary phase, the prices of fuels and lubricants as well of primary goods jumped sharply. The rise in the former was triggered by the supply disruption and the increase in oil prices resulting from the Gulf War. The rise in agricultural prices, on the other hand, was fuelled by a rather poor kharif crop of 1990 which followed on the heels of a poor

rabi crop earlier in the same year. As a consequence, relative prices of both primary commodities and fuel and lubricants rose.

Imports could not be used to increase supplies and dampen prices because of the severe balance of payments problems being faced during this year. The resulting relative scarcity of primary goods also generated inflationary expectations which spread to all sectors of the economy and encouraged inventory accumulation. The sharp increase in procurement prices for foodgrains over the last two years and some cash crops has also contributed to inflationary pressures.

The excess demand pressures in the economy were primarily generated by expansionary fiscal policies of Central and State Governments in previous years. The investment expenditure of Central and State Government combined has considerably exceeded their savings. Although Government investment as percentage of GDP declined, the decline in Government savings was even faster. Not only has the Government sector borrowed from domestic savings pool to finance investment in recent years, Government consumption expenditure has also come to be financed out of borrowings. Gross savings of the Central Government have been persistently negative; in 1990-91 these amounted to 1.9 percent of GDP. The excess demand of the Government, represented by its excess of investment over saving, has been met from three sources: domestic borrowing, foreign borrowing and borrowing from Reserve Bank of India. Government borrowings in the domestic capital markets have financed only about 70 percent of Government-financed capital formation and excess consumption in recent years. The rest came from borrowings from Reserve Bank of India and borrowings abroad. A large part of Government commercial borrowings in the domestic markets are from the banking system, which lends to the Government through the operation of the Statutory Liquidity Ratio (SLR). Over the years, the statutory liquidity ratio has risen to 38.5 percent. The return on Government securities issued to meet the SLR requirements is low. Further increase in the SLR is not possible because it erodes the banks' ability to finance productive investment in the economy. There is a strong case for lowering it. If it is brought down, however, the access of the Government to private savings through the banking system will decline.

Thus the Government needs to reduce its reliance on all the three present sources of funds: compulsory borrowings through the banking system, the monetized deficit, and foreign savings.

In order to reduce the fiscal deficit, the Government has had to permit an increase in some administered prices of basic goods and services. These price rises have been due for some time. They could not be avoided any longer if fiscal deficits had to be reduced. Losses of public sector enterprises which result from not permitting an increase in administered prices are financed from the general Budget. They lead to budgetary deficits and to an

increase in borrowings from Reserve Bank of India. Admittedly, a rise in administered prices does raise costs in the user sectors. However, if fiscal and monetary policies effectively control aggregate demand, the increased costs cannot generate an inflationary spiral. By contrast, an increase in the budget deficit would intensify generalized inflationary pressures in the economy.

Inflation has an adverse effect on the standards of living of the poorer sections, especially those whose incomes are not indexed to price increases. The Government is conscious of the need to mitigate these adverse effects as far as possible. Thus, the public distribution system [PDS] has been further expanded to cover 1700 far-flung and disadvantaged blocks. In addition to regular PDS supplies, 1.5 million tonnes of foodgrains have been off-loaded in open market sales between November 1991 and January 1992 through the Food Corporation of India (FCI). Imports of edible oils have been stepped up in recent months. The Government will do all at its command to break the inflationary expectations and prevent speculators and hoarders from making unjustified profits.

Center Gives Go-Ahead to Farakka Project

92AS0857A Calcutta *THE TELEGRAPH* in English
28 Feb 92 p 7

[Text] Calcutta, 27 February: The Centre has cleared the first phase of the National Hydroelectricity Power Corporation's (NHPC) project at Farakka in Murshidabad. The 125-MW first phase of the project will take three years to complete and the Centre is likely to earmark Rs. 30 crores for the purpose during the next fiscal year.

Official sources said water from the Ganga river would be utilised for the project's power production. Work on the project is expected to begin from April. The Ganga water in the Farakka region has the potential to produce 725 MW [megawatts] of hydro-electricity in the second phase.

The project is being pursued by the former Union minister and Congress(I) MP [member of Parliament], Mr. A.B.A. Ghani Khan Choudhury, since the past seven years with three Prime Ministers—Rajiv Gandhi, Mr. V.P. Singh and Mr. Chandra Shekhar. Mr. Khan Choudhury had argued that lack of proper hydel backup was one of the main reasons for the state's power crisis.

The state power minister, Dr. Sankar Sen, will visit Farakka next week to make an on-the-spot survey of the project site. He has assured full cooperation to the NHPC to go ahead with the project unhindered. At present, only 1.5 percent of the total power generated in the state is hydro-electricity, sources said.

The state government has decided to set up 36 "micro" hydel stations in the hill region of Jalpaiguri and Darjeeling districts which would primarily cater to the tea gardens. The Power Finance Corporation is expected to fund these "micro" hydel stations, sources added.

It was learnt that Dr. Sen had already discussed the tea garden electrification schemes with the garden owners. These "micro" hydel units would generate about 60 MW and, in the process, would lessen the existing pressure on the thermal power plants. The state government is also treating the Teesta and Rammam hydel projects with priority.

Railway Minister Presents 1992-93 Budget

92AS0859A Madras *THE HINDU* in English 26 Feb 92
p 1

[Text] New Delhi, 25 February: The Railway Budget for 1992-93, presented to Parliament by the Railway Minister, Mr. C.K. Jaffar Sharif, today, spares none with proposals for an all-round steep hike in freight, passenger and parcel fares to net an additional revenue of Rs. [rupees] 1,366 crores and projects a surplus of Rs. 563 crores for the organisation.

The additional tariff proposals, aimed at mobilisation of highest ever revenue in a single financial year, hits the suburban commuters most. The fares of second class monthly season tickets of those who commute between 20 and 40 km are slated to go up by 51 percent and this covers the bulk of urban rail users.

As per the proposals, which will come into effect on 1 April, the mail-express second class fares would go up from 11 to 18 percent with an upper limit of Rs. 25, first class fares by over 20 percent and second class sleeper surcharge for distances between 500 and 1,000 km by Rs. 5.

Reclassification of items

Mr. Sharif has proposed an across-the-board 7.5 percent hike in freight charges of all commodities, other than essential commodities. The coal freight charges, however, are to go up by 4 percent only. The net effect of freight hike would be much higher as 16 commodities, including coal, have been reclassified into categories which attract higher freight rates.

Increase in parcel and luggage rates and reclassification of these items in the name of rationalisation have also been effected to realise additional revenue. The minimum charge in respect of parcels and luggage is proposed to be revised from Rs. 17 to Rs. 30, except for fresh fruits and vegetables where the revised minimum charge will be Rs. 20.

Introduction of 15 new trains, mostly in the southern and western sectors, a weekly Rajdhani Express from New Delhi to Secunderabad and Bangalore during the year, provision for eight new projects and sections totalling 277 km, privatisation of catering services in a phased manner and a proposal for computerised passenger reservation in 12 other medium towns of the country are some of the highlights of public interest in an otherwise drab exercise in balance of figures.

Though the Minister has sought to mop up record additional revenue through hike in fares, the mobilisation is below the general expectations much to the relief of all categories of rail users. Burden on the suburban passengers has fallen as a consequence of the decision of the Ministry to phase out subsidies.

Tariff proposals relating to freight, which accounts for 67 percent of the revenues of the Railways, are an extension of the same philosophy though the Minister has spared a bulk of the essential commodities from the purview of the hike. The essential commodities exempt are foodgrains and pulses, salt for human consumption, sugar, gur, shakkar and jaggery, tea, fruits and vegetables, edible oils, kerosene, diesel, chemical manures, organic manure, oil cake, oil-seeds, livestock and fodder.

The four percent hike in the freight rate and reclassification of coal, which accounts for 43 percent of freight traffic of the Railways, alone is expected to fetch the organisation an additional revenue of Rs. 129 crores. Others reclassified into higher freight category rate commodities include cement, iron ore, limestone, coffee, paper, timber, iron or steel division 'A,' petrol, salt for industrial use, leather goods NOC, caustic soda, bitumen and bauxite.

That the budget aimed at realisation of higher resources from the organised sector was evident from the concluding part of the speech of Mr. Sharif after he unveiled the tariff hike proposals where he called for 'sacrifices' for a brighter tomorrow.

A very good year

From the balance-sheet of the Railways for 1991-92 presented by the Minister it is clear that the year has turned out to be an exceptionally good year. The Railway is not only poised to exceed the freight and passenger

traffic targets for the year but also to end up with a surplus of Rs. 435 crores as against the projected estimate of Rs. 235 crores.

It is this impressive performance which has prompted the Railways to set a freight target of 354 million tonnes in 1992-93 as against the estimated 337 million tonnes in the current year. The revised estimate for the originating revenue earning freight traffic in the current financial year is 19 million tonnes more than the 1990-91 actual of 318 million tonnes. As a result, the gross traffic receipts are expected to be Rs. 267 crores higher.

Likewise, the passenger traffic has witnessed a five percent growth rate and the budget target of Rs. 3,493 crores of passenger earning is expected to be exceeded by Rs. 154 crores.

Higher Plan outlay

The Minister told Parliament that though the Planning Commission had initially suggested a Plan outlay of Rs. 5,450 crores to the Railways, it agreed for a higher outlay of Rs. 5,700 crores. He, however, said the proposed Plan size was not sufficient to take care of the needs of the organisation and informed the Members that the Planning Commission had promised to review the situation during the year.

Mr. Sharif said the Railways proposed to convert the entire metre gauge system in the country into broad gauge and had already identified 10,000 km for conversion. During the Eighth Plan it is proposed to achieve a target of 6,000 km of track conversion. For the purpose a provision of Rs. 550 crores has been made in the budget.

He said soon the Railways would launch "own your wagon/own your container" schemes under which the trade, industry and commerce can transport their goods more economically by availing themselves of attractive freight concessions.

Postponement of Agni Launching Questioned

92AS0913A Calcutta *THE STATESMAN* in English
28 Mar 92 p 13

[Text] Bhubaneswar, March 27. The speed at which all preparatory work was completed and the subsequent sudden postponement has led to speculation that the second test firing of India's most prestigious missile, "Agni" from the Chandipur interim test range had been stalled by international powers.

Many local leaders of Chandipur feel that international clearance did not come through and the firing was postponed.

The stage had been set for firing on February 20. Unlike the first launch in May 1989 there was absolutely no resistance from the local villagers to the proposal of temporary eviction.

Villagers within the 3 km radius had been issued notices and money disbursed towards temporary eviction.

Even safety trenches were dug up, hotel rooms booked for senior officials and all necessary arrangements were made.

Interestingly the Defence establishment had also impressed upon the Government to send more police force for patrolling and precautionary purposes. The police force is posted around the villages and also helps in shifting and monitoring the traffic. This had been done after senior police officials in the State had said they did not have enough force to spare since the civic elections were in progress.

However the STR [expansion not given] officials reportedly managed to convince the Government and attained the necessary clearance for the additional police deployment.

After all this the test firing was abruptly cancelled without any reason, say local leaders wondering whether it was a case of interference by international powers.

New Naval Air Station Commissioned

92AS0855A Madras *THE HINDU* in English
12 Mar 92 p 4

[Boldface words as published]

[Text] Madras, 11 March: India's biggest and most modern Naval Air Station (NAS) named after the powerful raptor, Rajali, located over an area of 2,200 acres on the outskirts of Arkonam, 80 km west of Madras was commissioned this morning by the President, Mr. R. Venkataraman.

Both Mr. Venkataraman and Mr. Sharad Pawar, Union Defence Minister, who participated at the function, called upon the Navy to remain alert to ward off any threat to national unity.

He had full faith in the high morale and the operational readiness of the Navy and was confident that it would prove its mettle should the need arise, the President said. India stood for peaceful coexistence in the world and for friendly relations particularly with its neighbours. "Nevertheless we should ever be vigilant to meet any threat to our territorial integrity and national unity."

Mr. Venkataraman said it was a matter of great satisfaction that from a small coastal force consisting of only a few frigates, survey ships and mine sweepers at the time of independence, the Indian Navy had developed into a strong force competent to defend the nation over the sea, underwater and in the air.

He said the new laws of the seas had added to the country's exclusive economic zone, an area equal to two-thirds of the land mass now available for economic development. This increased the security responsibilities. For the protection of the country's interest in this area, the Naval air arm would have to play a significant role. He hoped that with the commissioning of NAS Rajali, the Navy's capability to detect and attack hostile ships and submarines with speed and accuracy would undoubtedly deter the adversary from any misadventure.

South Asia tension filled: Mr. Sharad Pawar said there had been radical changes in the global geo-political scenario but unfortunately, the South Asian region was still not free from tensions. Certain developments on the western borders did not allow the country to down her guard.

The Navy had an important role to play in not only defending the shore and maritime interests but also ensuring a peaceful and conducive situation for further promoting maritime trade. In this context NAS Rajali can play a vital role with its constant surveillance over the southern waters, a capability that was earlier restricted in the absence of full-fledged NAS in the South.

Shortage of Funds Curbs Army Development

92AS0916A Calcutta *THE SUNDAY STATESMAN*
in English 22 Mar 92 p 12

[Text] New Delhi, March 22. The impact of the reduced outlays on defence is generally projected as an axe falling on modernization and acquisition of weapon systems, but the adverse effects often spreads out to areas which might not make headlines and yet hinder some of the basics, such as training. An outstanding example pertains to the inability to reorganize the Army's field firing rangers, "no money" being cited as the cause of inaction.

Ironic though it may appear at a time when there is a clamor for the Defence Ministry to shed some of the supposedly surplus land it holds in its cantonments, there is no land for the development of large firing ranges for the exclusive use of troops and a paucity of funds to acquire such land.

It is, therefore, inevitable that the Army will have to persist with the outdated and not very satisfactory system of using land earmarked for ranges over a limited period each year.

In its recent report on defence land, the Estimates Committee of the Lok Sabha devoted some attention to the problem and recommended that a special team be constituted to deal with the problem from identification to acquisition.

The committee was convinced that field firing ranges have formed the basic tool for training of troops, deeming it the only method to "ensure accurate use of weapons and realistic combined arms manoeuvres". The latter emphasizes that modern warfare requires combat teams, comprising elements of all the fighting arms, to pursue specific objectives.

After examining the present system of periodic use of land notified as ranges, the committee concluded that "from a long-term perspective the Ministry of Defence must acquire as many permanent ranges as possible" and hence it suggested formation of a special team to get on with the job.

High-Technology Weapons System Under Development

92AS0843A Bombay *THE TIMES OF INDIA* in English 14 Feb 92 p 4

[Text] Bombay, February 13. A high-technology weapons system fabricated for the American Star Wars programme is under development in India. The weapon is the "rail gun" on which experiments have been carried out at the Pune-based Armament Research Development Establishment.

An announcement about this defence project was made yesterday by the scientific adviser to the defence minister, Dr V.S. Arunachalam, at the prestigious colloquium of the Indian Institute of Technology, Powai.

Present at the conference, which attracted students and professors from all the institute's faculties, many of whom are involved in some of the country's key defence projects, were the programme director for the light combat aircraft (LCA), Dr Kota Harinarayana, and the director of aeronautics in the ministry of defence, Dr K. Srinivasa.

Dr Arunachalam said that the pellet of this gun was expected to travel at four to five km per second. The gun would moreover employ an electro-magnetic propulsion system.

"We are interested in it, but the engineering problem is over-whelming," said Dr Arunachalam, adding that the defence scientists connected with this programme were confident of overcoming all difficulties.

He said that future tanks would be equipped with this type of electro-magnetic gun.

A defence expert explained that while in an ordinary gun the shell is propelled out by an explosive charge, in a rail gun, it is propelled by what is known as "electrostatic" forces in this case.

Referring to some of the other defence projects on which work is in progress, he said that these include the "ring laser gyro" which could be used in the country's missiles for guidance in two years and the "phased array radar" which would be incorporated in the "Akash" surface-to-air missile system.

"India is among the three countries in the world to have developed the phased array radar," he said.

Dr Arunachalam said fuel air explosives (FAE) had also been planned, and added that they were used extensively during the Iraqi warfare. "Most of the killings in the Iraqi warfare were by FAEs," he said.

Again, to the credit of the defence scientists, India is among the two countries in the world to develop carbon-carbon composites which are used in the "Agni" surface-to-surface missile system, and on aircraft brakes.

Said Dr Arunachalam: "It is a demanding technology. Developing a military technology is not an easy task."

According to him, technology for defence had to be home grown. "Right now we have to be self-reliant rather than self-sufficient. Then our technology will be impressive," he added.

In this context, he said that the break-up of the Soviet Union was causing worry because it had led to criticality of supplies in military spares. "The man who has the technology is the winner," he added.

New Air Defense System Acquired From Russia

92AS0833 Bombay *THE TIMES OF INDIA* in English 19 Mar 92 p 1

[Text] New Delhi, March 18: India has acquired new land-based air defence systems from Russia. These include SAM-11 (called Gadfly and renamed Ganga) and anti-aircraft guns, Tanguska according to authoritative sources.

Ganga missiles will replace Kvadrats (SAM-6). Tanguska is the improved version of the anti-aircraft guns Shilkas (ZSU-23-4).

India is totally dependent on the Soviet systems for its land-based air defence. These include SAM-6, SAM-7, SAM-8 and Strella 10M missiles and the anti-aircraft self-propelled guns, Shilkas.

While the Shilkas are already 20 years old in the service, the Kvadrats have been in the army's self-propelled air-defence groups since 1979.

The SA-11 missile is a mobile system which provides defence against high performance aircraft and cruise missiles.

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